

Velicky-SB563-Testimony.pdf

Uploaded by: Anna Velicky

Position: FAV

Testimony of Indigo Null

SB0563 – Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

Hearing before the Senate Judicial Proceedings Committee, Feb. 22, 2022

Position: SUPPORT (FAV)

Please see the exhibits after page 4 for supporting evidence.

I am a tenant at the Copycat Building in Baltimore City, owned by Charles Lankford. I am also the defendant in the Court of Appeals' November 2021 decision *Velicky v. Copycat Building*. I am writing to testify because my landlord's business model relies on the advantage of having no requirement to prove rental licensing compliance in Tenant Holding Over actions. This legal loophole allows my landlord to extort illegal payments from tenants while keeping his properties in unsafe and unlivable conditions.

The Court of Appeals decision is dangerous. Licensing is dependent on code enforcement – if your building isn't safe, you can't be licensed, and you shouldn't be able to collect rent or utilize court procedures like evictions. The inability to collect rent through the courts *should* be more than enough motivation for a landlord to keep his building safe. But Copycat tenants see clearly before us that our landlord's use of Tenant Holding Over evictions proceedings without a license breaks down that system – *tenants will do whatever they can to avoid homelessness*, including paying illegal rent to an unlicensed landlord. And landlords know this.

Allowing unlicensed landlords to use the Tenant Holding Over eviction procedure gives them leverage to conduct illegal activities outside of court.

Charles Lankford and his company have not had a rental license since at least January 2019, if not longer. They have many outstanding violations related to fire code, safety, and habitability in their properties. The law tells us it is illegal for a landlord to collect rent without a license – but he has done exactly that for years. Even now, he is advertising unsafe apartments for rent on the Copycat rental website. His behavior is a prime example of why SB563 is necessary.

In Spring 2020, everyone in my house lost their income due to the pandemic. We applied for unemployment, but, as you probably read in the news, it was not available for months. After the first full month of shutdown, Lankford began to send out a series of emails making it very clear that if tenants did not keep up with their rent payments, they would be evicted. In an email dated June 15, 2020, the landlord explained:

“To be clear: ONLY Rent Court and apartment buildings whose mortgage is Federally financed are part of the Eviction Moratorium. We use Tenant Holding Over Court and our mortgage is NOT federally funded... Hence, there will be no delay on our end as soon as courts reopen.... Whatever remaining deposits you have are being applied to the oldest debt in your account. If we have not heard from you by the time the courts have reopened, we will be filing for your eviction and your remaining debt will be turned over to a national credit collection agency which will negatively impact your credit for the next 7 years.” (see p. 6 for full email)

Remember, Lankford was unlicensed when he wrote this and knew full well that he was illegally

collecting rent. He knew he would face no consequences for filing Tenant Holding Over actions as a work-around existing laws – *McDaniel v. Baranowski*, local code Article 13 § 5-4, or eviction moratorium protections.

Rental licensing is about safety and human dignity, not mere technicalities.

A housing code enforcement report is attached, documenting the violations and dangerous conditions in my apartment. I have also attached a copy of the reports showing the presence of deteriorating lead and asbestos in my apartment.

I came to the Copycat fresh out of college, moving to Baltimore with almost no money, no credit, and no familial support. Because of this lack of resources, I could not rent a traditional apartment that required a credit check and paystubs – my only options were subleases and other less official avenues. I luckily had a partner living in the Copycat, and I moved in to my current apartment on the 5th floor in 2015. The apartment had 7 bedrooms, and I lived with 11 other people—we all shared one bathroom. At the time, I believed I was lucky and was just happy to have a roof over my head. As I said before, *people will take almost anything over homelessness.*

After I moved in, it became obvious the building had not been maintained for years - Outlets would randomly spray sparks everywhere and then completely stop working, destroying whatever was plugged in at the time. We had no running water when the boiler was on, and very low pressure when it was off. Sometimes you couldn't wash your hair or dishes. Often the water is brown, and people joke that “drinking the water in the Copycat makes you more thirsty afterward than before!”. Water pressure is so low we have to flush our toilet with a bucket, and my roommate washes her hands with bottled water because the building's water makes her break out in a rash.

Every winter, it would be a fight to get Lankford to turn on the heat – he would often wait until November or December, citing “maintenance issues” with the boiler. Most apartments have little to no insulation, and even when tenants attempt to seal the windows ourselves, it only helps so much. Last week my bedroom was 41 degrees one night. This is not uncommon.

Every year, our fridge broke and we'd go without it for a couple days or weeks until maintenance found us another one from another apartment. We'd always lose all our food in the process, and we could never predict it. Usually, they'd eventually bring a used fridge to replace it, we'd clean the mold and meat slime out of it, and have a fridge for another year. The last time this happened was November 2021 – they never came to replace it this time. When asked in person about it, Brice Lankford (Charles Lankford's son, and head of maintenance) hissed at me “I'm not gonna f*ckin talk to you about that”.

The response to our filed maintenance request about it was a form letter that said:

“Sorry to inform you your service request was recently closed due to the fact that the work was not approved by the property owner. If you feel the owner is legally obligated to perform this work in accordance with law, you may contact the management company directly from your portal...In other cases, this may have been considered a nonessential request and the owner exercised his right to defer the request”

We have tried to contact management multiple times since, to no avail. Eventually I bought a used mini fridge on Facebook. Lankford is legally required to provide a refrigerator to us—Some of the conditions in my apartment honestly feel like retaliation for speaking up against what's happening in my building.

One summer, we found out that apparently half the fire sprinklers in our apartment had no water going to them, and that the building had narrowly avoided being shut down for how dangerous it was. I lost a lot of sleep after that, knowing that the sprinklers over my bed would just sit there useless if the building caught fire.

Many times the elevator broke while I was in it, and I learned to carry my phone with me even when going to get the mail because there was no emergency call button – stuck in the elevator with no phone? I hope you have a good screaming voice. A maintenance man eventually showed me how to open the doors from the inside so I could get out as long as it broke near an exterior door, because I often got off work after midnight and there was a real risk of me being trapped overnight - This actually happened to at least two people I know of. There was a yearlong period when we had no light in the elevator, and a tenant put a adhesive-backed battery-powered nightlight in so we could see inside when the doors were closed.

For the first couple years I was here, we had three bedrooms that randomly had leaks when it rained – gallons of water that looked like coffee would pour through the ceiling and down from upstairs. The wall between our kitchen and bathroom began to rot out from it. They closed down the apartment upstairs from us because the leaks were so bad nobody would live there. They later re-rented it, claiming it was fixed, but my new neighbor informed me he had to put a tarp over his bed and build a water collection device for when it rained. Ironically, they had no running water upstairs around the same time, because the water pressure in the building was so bad that water couldn't make it to the 6th floor. Maintenance “fixed” that by running a hose from another part of the building to that apartment.

Around that same time we suddenly got mice. And when I say “mice” I do not mean just a couple – dozens. Crawling on the counters, eating our food, leaving piles of feces everywhere. My roommates and I caught four or five a week. One time my roommate caught one that crawled into a bag of chips he was actively eating. Another, my cat caught in my bed. We had to keep our dry goods in airtight plastic bins, and we put out poison everywhere. When I contacted maintenance, Brice Lankford informed me pest control was our responsibility, (which is in direct violation of rental law). I found out everyone on our side of the building had suddenly gotten mice (at least 10 apartments), but he refused to help. Shortly after, the German cockroaches came. They found the rotting wall behind our kitchen sink, and moved in. Now it's a normal occurrence to lift up a sponge and find 50 cockroaches. They have also colonized our shower, which is on the other side of the same wall.

When we found out the building was unlicensed, we got a professional code inspection – you can read the full report on page 09, but here are some highlights: Our entire unit has deteriorating lead paint that hasn't been properly sealed, flaking into the air constantly. Many spaces are insulated with deteriorating asbestos. We breathe both of those 24/7. Our circuit box has been illegal since the mid-1900s, and has loose wires in danger of overheating and catching fire. Our elevator is not safe or up to code, and has DIY wiring among other issues -it appears the license has been expired for a while now.

At the most recent city inspection, the inspector said there were multiple unused elevator shafts in the building that would be deadly during a fire because they are not sealed properly. If a fire starts on a lower floor, it will travel up these empty shafts, fed by the oxygen, and explode onto the floors above, quickly spreading to the whole building and becoming deadly. I have one connected to my bedroom, when I moved in I had to seal the door with plastic because there was constantly a draft coming from it.

Much of this, I had no idea about. I wish I had known about all this before I moved in, and I don't understand why the Department of Housing hasn't shut Lankford down. I regularly try to repair things,

but I don't know how to do asbestos removal or boiler maintenance. I need to stress that I, like many tenants, cannot afford to move, and that is part of why I still live here. Moving costs a lot of money that we simply don't have, and many of us have no credit or bad credit, or are still facing unemployment or underemployment due to the pandemic. We are, in a word, trapped.

SB563 closes the loophole that allows landlords to continue to profit off unsafe and uninhabitable properties.

I have to respectfully disagree with the Court of Appeals majority decision – I feel they did not look at the whole picture. This isn't just about a landlord's right to throw people off his property easily. It's about the safety of every single renter in our state. As long as a landlord can continue to collect rent on a property like this, and the law cannot stop him, we are all in danger.

The majority claim they do not believe Lankford wanted to collect rent, only to evict me. But his behavior shows the opposite - The day the decision came out, I was woken up by a tenant in the building calling to tell me Lankford had sent out a round of emails and calls telling everyone that the court had decided he could evict people. Within days, everyone I knew who the building claimed owed rent had received emails about their balances, notices of lease termination and notices to vacate.

He was literally flaunting the court decision. Several of those tenants have since moved out, and their apartments are back up for rent on the Copycat website. Noticeably, they have gone up in rent since the previous tenants. One that belonged to a friend of mine has almost doubled in price.

Now, every single tenant in this building has to think - “Do I want to go to court? Can I afford to move? Can my credit handle an eviction?” every time they put in a maintenance request or file a code report. They know that if they don't pay him whatever he asks, they are likely facing an eviction. The threat to our credit has a specifically vicious tone to it – remember, he said “*your remaining debt will be turned over to a national credit collection agency which will negatively impact your credit for the next 7 years.*” Not only will he kick you out of your home if you don't comply, he will make it harder for you to find anywhere else to go. The message is clear - “Give me money and expect nothing in return, unless you want a world of hurt and trouble”.

Is it just that a landlord operating illegally can use a taxpayer-funded court process to threaten tenants if they don't pay him illegal payments? That you can be threatened with homelessness if you attempt to get any of these conditions remedied?

My lawyer told me not to let these things make me jaded, and that the legislature is here to fix these things. I want to believe he's right and other people see how unjust this is. My argument is not with landlords following the law, and landlords operating legally will never have to worry about this bill – SB563 is specifically aimed at landlords already operating illegally.

If you remove the loophole that allows these slumlords to continue to profit while operating illegally, you remove their incentive to keep their buildings in lethal disrepair, and you remove their leverage to extort tenants and threaten us into silence.

The last thing I wanted to mention is this – I am often asked “but how many landlords can really be *this bad*? Yours *has* to be a fluke”. The only thing I have to say to that is that I know a lot of people in Baltimore – I have been bartending here for over half a decade. It is not an exaggeration when I say *everyone I know has lived in a building like this.*

Exhibits

Email: June 15, 2020 – page 06

Asbestos Report – page 07

XRF Lead Report – page 10

Code Report for Apartment F501 – page 11

June 15, 2020

Dear Resident,

We are entering the fourth month of the pandemic. With jobs lost and Maryland is still struggling to disperse unemployment checks, we realize there are tenants who are still unable to pay rent. Many have come to us with their situations and we have made agreements to work together when their funds begin appearing. Some are about to receive their unemployment and we have set up a fair payment plan to begin paying rents that we both can live with. As I have explained to many, it is less expensive for us to work with willing tenants now than go through eviction processes and re-renting emptied units.

Due to these circumstances, we are willing to set up extended payment plans that would not have been agreeable under normal conditions but, we can no longer stay quiet, wondering what the intentions of our silent tenants are. Are they holding out for the Feds to swoop down and forgive rents? Are they stockpiling unemployment checks and planning to move into a new apartment at the last minute? We don't know.

More troubling are group units who have not made any payments through the pandemic. If a few of these tenants are receiving income or parental aid beyond living expenses, we would expect them to pay as they can individually. This is not the place for solidarity, and it *will* make the difference whether you stay or go!

Also, our attorneys have informed us it is legal to reallocate your deposits to your oldest debt, provided we contact you by mail, which we are in the process of doing. This will help reduce your debt as well as assuage the concerns of our creditors. We are struggling to pay our monthly mortgage, salaries, and the various other operating costs through this stressful time, due to our greatly reduced rental income.

Finally, Baltimore City has announced the reopening of various government departments starting this Monday which means courts will be open in the very near future.

To be clear: ONLY Rent Court and apartment buildings whose mortgage is Federally financed are part of the "Eviction Moratorium".

We use Tenant Holding Over Court and our mortgage is NOT federally funded. The Rent Strike website clearly lists by zip code, each apartment building that cannot participate in evictions. We are NOT included in that listing. Hence, there will be no delay on our end as soon as courts reopen.

If you are receiving this letter it was meant for YOU. This is NOT a building wide letter. Whatever remaining deposits you have are being applied to the oldest debt in your account. If we have not heard from you by the time the courts have reopened, we will be filing for your eviction and your remaining debt will be turned over to a national credit collection agency which will negatively impact your credit for the next 7 years.

Management

The Copycat Building LLC

Attachment A: Lead Based Paint Survey Datasheet

Index	Room	Component 1	Component 2	Wall Code	Substrate	XRF Reading (mg/cm ²)	Result	Condition	Address
1	Calibration	SRM-2579				1			
2	Calibration	SRM-2579				0.9			
3	Calibration	SRM-2579				1			
4	Calibration	SRM-2570				0			
5	Bathroom	Door		D	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
6	Bathroom	Door	Casing	D	Wood	0.4	Negative	Intact	309 E Federal St Apt F501
7	Bathroom	Window	Casing	A	Wood	2.4	Positive	Deteriorated	309 E Federal St Apt F501
8	Bathroom	Window	Sash	A	Wood	1.9	Positive	Deteriorated	309 E Federal St Apt F501
9	Bathroom	Shower Stall		C	Wood	5.1	Positive	Deteriorated	309 E Federal St Apt F501
10	Bathroom	Floor		N	Concrete	0.2	Negative	Deteriorated	309 E Federal St Apt F501
11	Bathroom	Wall		A	Concrete	1.4	Positive	Deteriorated	309 E Federal St Apt F501
12	Bathroom	Wall		D	Wood	3.1	Positive	Deteriorated	309 E Federal St Apt F501
13	Kitchen	Wall		B	Wood	3.4	Positive	Deteriorated	309 E Federal St Apt F501
14	Kitchen	Wall		A	Concrete	2.4	Positive	Deteriorated	309 E Federal St Apt F501
15	Kitchen	Window	Casing	A	Wood	1.9	Positive	Deteriorated	309 E Federal St Apt F501
16	Kitchen	Window	Sash	A	Wood	2.7	Positive	Deteriorated	309 E Federal St Apt F501
17	Common Living Space	Wall		A	Concrete	1.1	Positive	Deteriorated	309 E Federal St Apt F501
18	Common Living Space	Wall		C	Concrete	5.3	Positive	Deteriorated	309 E Federal St Apt F501
19	Common Living Space	Column		N	Concrete	0.4	Negative	Deteriorated	309 E Federal St Apt F501
20	Common Living Space	Floor		N	Concrete	0.1	Negative	Deteriorated	309 E Federal St Apt F501
21	Common Living Space	Radiator		C	Metal	0.4	Negative	Deteriorated	309 E Federal St Apt F501
22	Common Living Space	Window	Sill	C	Concrete	0.2	Negative	Deteriorated	309 E Federal St Apt F501
23	Common Living Space	Window	Casing	C	Wood	1.1	Positive	Deteriorated	309 E Federal St Apt F501
24	Common Living Space	Window	Sash	B	Wood	3.6	Positive	Deteriorated	309 E Federal St Apt F501
25	Storage Closet	Window	Casing	C	Wood	0.9	Positive	Deteriorated	309 E Federal St Apt F501
26	Storage Closet	Window	Sash	C	Wood	1.8	Positive	Deteriorated	309 E Federal St Apt F501
27	Storage Closet	Wall		C	Concrete	0.6	Negative	Deteriorated	309 E Federal St Apt F501
28	Storage Closet	Door		A	Wood	10.9	Positive	Deteriorated	309 E Federal St Apt F501
29	Storage Closet	Door	Casing	A	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
30	Bedroom 1	Door	Casing	D	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
31	Bedroom 1	Door		D	Wood	0.2	Negative	Intact	309 E Federal St Apt F501
32	Bedroom 1	Wall		A	Concrete	3.4	Positive	Deteriorated	309 E Federal St Apt F501
33	Bedroom 1	Wall		B	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
34	Bedroom 1	Window	Sill	B	Wood	1.2	Positive	Deteriorated	309 E Federal St Apt F501
35	Bedroom 1	Window	Casing	B	Wood	1.9	Positive	Deteriorated	309 E Federal St Apt F501
36	Bedroom 1	Closet	Door	C	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
37	Bedroom 1	Closet	Casing	C	Wood	-0.1	Negative	Intact	309 E Federal St Apt F501
38	Bedroom 1	Closet	Wall	A	Concrete	0.9	Positive	Deteriorated	309 E Federal St Apt F501
39	Bedroom 2	Door		A	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
40	Bedroom 2	Door	Casing	A	Wood	0	Negative	Intact	309 E Federal St Apt F501
41	Bedroom 2	Wall		C	Concrete	2.5	Positive	Deteriorated	309 E Federal St Apt F501
42	Bedroom 2	Wall		C	Concrete	1.4	Positive	Deteriorated	309 E Federal St Apt F501
43	Bedroom 2	Window	Sash	B	Wood	3.8	Positive	Deteriorated	309 E Federal St Apt F501
44	Bedroom 2	Window	Casing	B	Wood	2.2	Positive	Deteriorated	309 E Federal St Apt F501
45	Bedroom 2	Floor		N	Concrete	0.1	Negative	Deteriorated	309 E Federal St Apt F501
46	Bedroom 3	Door		A	Wood	-0.1	Negative	Intact	309 E Federal St Apt F501
47	Bedroom 3	Door	Casing	A	Wood	0.2	Negative	Intact	309 E Federal St Apt F501
48	Bedroom 3	Window	Casing	C	Wood	0.9	Positive	Deteriorated	309 E Federal St Apt F501
49	Bedroom 3	Window	Sash	C	Wood	1.5	Positive	Deteriorated	309 E Federal St Apt F501
50	Bedroom 3	Wall		C	Concrete	3.7	Positive	Deteriorated	309 E Federal St Apt F501
51	Bedroom 3	Floor		N	Concrete	0.1	Negative	Deteriorated	309 E Federal St Apt F501
52	Bedroom 4	Baseboard		A	Wood	0.3	Negative	Intact	309 E Federal St Apt F501
53	Bedroom 4	Wall		B	Wood	0.2	Negative	Intact	309 E Federal St Apt F501
54	Bedroom 4	Wall		C	Concrete	0.6	Negative	Deteriorated	309 E Federal St Apt F501
55	Bedroom 4	Floor		N	Wood	0.1	Negative	Deteriorated	309 E Federal St Apt F501
56	Bedroom 4	Window	Sash	C	Wood	3.1	Positive	Deteriorated	309 E Federal St Apt F501
57	Bedroom 4	Window	Casing	C	Wood	2	Positive	Deteriorated	309 E Federal St Apt F501
58	Bedroom 5	Wall		A	Concrete	1.8	Positive	Deteriorated	309 E Federal St Apt F501
59	Bedroom 5	Wall		B	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
60	Bedroom 5	Floor		N	Concrete	0.3	Negative	Deteriorated	309 E Federal St Apt F501
61	Bedroom 5	Door		C	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
62	Bedroom 5	Door	Casing	C	Wood	0	Negative	Intact	309 E Federal St Apt F501
63	Bedroom 5	Window	Sash	A	Wood	2.3	Positive	Deteriorated	309 E Federal St Apt F501
64	Bedroom 5	Window	Casing	A	Wood	2.8	Positive	Deteriorated	309 E Federal St Apt F501
65	Bedroom 6	Wall		A	Concrete	3.1	Positive	Deteriorated	309 E Federal St Apt F501
66	Bedroom 6	Wall		C	Wood	0.1	Negative	Intact	309 E Federal St Apt F501
67	Bedroom 6	Floor		N	Concrete	0.1	Negative	Deteriorated	309 E Federal St Apt F501

Index	Room	Component 1	Component 2	Wall Code	Substrate	XRF Reading (mg/cm ²)	Result	Condition	Address
68	Bedroom 6	Window	Sash	A	Wood	1.6	Positive	Deteriorated	309 E Federal St Apt F501
69	Bedroom 6	Window	Casing	A	Wood	1.8	Positive	Deteriorated	309 E Federal St Apt F501
70	Calibration	SRM-2579				0.9			
71	Calibration	SRM-2579				1			
72	Calibration	SRM-2579				1.1			
73	Calibration	SRM-2570				0			

Certificate of Asbestos Analysis

Prepared for: Property Inspection Pros, LLC 3910 W Strathmore Ave Baltimore, MD 21215	Phone: (443) 934-4574 Email: sol@mdinspectionpros.com
Test Address: Anna Velicky 309 Federal St Unit F501 Baltimore, MD 21202	Lab COC #: 52397908
Date Collected: 10/30/20 Analysis Date: 11/03/20	Receive Date: 11/03/20 Report Date: 11/03/20

Client Sample: PIPE INSULATION IN COMMON AREA **Collection Location:** PIPE INSULATION IN COMMON AREA

Sample Description: PIPE INSULATION

Asbestos Containing Material Detected

Friable/Homogeneous: YES/YES

Layers: 1

	Layer 1	Intentionally blank	Intentionally blank	Intentionally blank
Description:	PIPE INSULATION			
Color:				
Asbestos Type				
Chrysotile	70%	--	--	--
Other Fibers				
Cellulose	10%	--	--	--
Non-Fibers				
Minerals	20%	--	--	--

Lance R. Cotton

Analyst

Lance R. Cotton

Laboratory Manager

This report pertains only to the samples reported and may not be reproduced, except in full, without written permission from PriorityLab. The client is solely responsible for the use and interpretation of this report. This report shall not be used to claim product certification, approval, or endorsement by NVLAP, NIST, or any agency of the US government. Samples analyzed using Code 18/A01: EPA 40 CFR Appendix E to Subpart E of Part 763, Interim Method of the Determination of Asbestos in Bulk Insulation Samples, and Code 18/A03: EPA/600R-93/116 Method for the Determination of Asbestos in Bulk Building Materials. Furthermore, PriorityLab's liability is limited to the cost of the analysis. Limit of Quantitation (LOQ) is 1%. "Trace", if listed, indicates the presence of asbestos below the LOQ. "ND" = None Detected. Floor tile is non-homogeneous and results only reflect sample content.

EPA requirements for reporting and analyzing asbestos are: Asbestos Containing Material (ACM) = equal to or greater than 1%; Non-Asbestos Containing (NAD) is < 1% asbestos, even though the sample may contain a trace amount of Asbestos. If the PLM method is >1% a point count may be performed (but is not required) at the client's request for an additional fee. PriorityLab is not able to assess the degree of hazard resulting from materials analyzed. PriorityLab reserves the right to dispose of all samples after a period of thirty (30) days. Laboratory reports will be kept for a period of three (3) years electronically. All samples were received in acceptable condition unless otherwise noted. Visit www.epa.gov/iaq/asbestos.html for more information.



Inspection Report

Anna Velicky

Property Address:
309 Federal Ave Unit F501
Baltimore MD 21202



Property Inspection Pros LLC

Sol Kruk MD Home Inspector License #32972

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Date: 10/29/2020	Time: 11:00:00 AM	Report ID: 102920SK1 ¹³
Property: 309 Federal Ave Unit F501 Baltimore MD 21202	Customer: Anna Velicky	Real Estate Professional:

BY RELYING ON THIS INSPECTION REPORT YOU AGREE TO BE BOUND BY THE TERMS, CONDITIONS, AND LIMITATIONS SET FORTH IN THE INSPECTION AGREEMENT YOU SIGNED PRIOR TO THE INSPECTION.

This report has been prepared for your exclusive use as our client. No use by third parties is intended. Property Inspection Pros LLC will not be responsible to any parties not named herein for the contents of the report. The report itself is copyrighted, and may not be used in whole or in part by any third parties without the report owners express written permission.

[Comment Key or Definitions](#)

The following definitions of comment descriptions represent this inspection report. All comments by the inspector should be considered before purchasing this home. **Any recommendations by the inspector to repair or replace suggests a second opinion or further inspection by a qualified licensed individual.** Weather or not the repairs are performed by a qualified licensed individual, Property Inspection Pros LLC will not be responsible for any and all repairs. All costs associated with further inspection fees and repair or replacement of item, component or unit should be considered before you purchase the property.

Inspected (IN) = I visually observed the item, component or unit and if no other comments were made then it appeared to be functioning as intended allowing for normal wear and tear.

Not Inspected (NI)= Item, system or component was not inspected. No representation of it's condition was given or implied. Reasons include but not limited to: lack of normal operating controls, utilities off, restricted access, safety or environmental issues, potential property damage.

Not Present (NP) = This item, component or unit is not in this home or building.

Repair or Replace (RR) = The item, component or unit is not functioning as intended, or needs further inspection by a qualified contractor. Items, components or units that can be repaired to satisfactory condition may not need replacement.

IT IS ESSENTIAL YOU READ THE ENTIRE INSPECTION REPORT

This home inspection report is an unbiased assessment of the property on the day it was inspected. It contains observations of those systems and components that, in the professional judgment of the inspector, do not function properly, are significantly defective, unsafe, or are near the end of their service lives. The cause for deficiencies may or may not be readily apparent, comments will be made as appropriate. This report is not intended to reflect the value of the property, or to make any representation as to the advisability of purchase. Not all improvements will be identified during this inspection. Unexpected repairs should be anticipated. This inspection is not a guarantee or warranty of any kind.

ENVIROMENTAL INSPECTION

The following are common items that can exist in a building, but are outside the scope of this general home inspection: Chinese drywall, mold, radon, asbestos, buried tanks, soil contamination, lead contamination, rodent, bat or pest feces/urine. Specific inspections intended to confirm or deny that any of the noted concerns

are present during the inspection are not performed as part of this general home inspection as they require¹⁴ additional testing or evaluation for positive confirmation of their existence.

If additional testing is desired you can contact us to refer or perform these services. A separate inspection agreement will be required for additional services.

PERMIT RESEARCH

This inspection does not include permit research and is not intended to ensure permit enforceability or evaluation of any un-permitted construction. Any permit related construction issues now or in the future are disclaimed. Permits on record for this building can be obtained or viewed by contacting the local municipality. Any additional construction or replacement of major systems that is not listed with the local municipality may have been installed or constructed without a permit. You should consult with the local municipality to ensure lack of permits will not impact you now or in the future. In some cases additional fines or removal of un-permitted structures may be required.

THIS DISCLOSURE IS REQUIRED BY THE STATE OF MARYLAND

(i) "An inspection is intended to assist in the evaluation of the overall condition of a building. The inspection is based on observation of the visible and apparent condition of the building and its components on the date of the inspection";

(ii) "The results of this home inspection are not intended to make any representation regarding latent or concealed defects that may exist, and no warranty or guaranty is expressed or implied";

(iii) "If your home inspector is not a licensed structural engineer or other professional whose license authorizes the rendering of an opinion as to structural integrity of a building or the condition of its components or systems, you may wish to seek the professional opinion of a licensed structural engineer or other professional regarding any possible defects or other observations set forth in this report"; and

(iv) "Only home inspections performed by Maryland licensed home inspectors will be recognized as a valid home inspection under a real estate contract". Some areas and items at this property were obscured by stored items, furniture, and or debris. This often includes but is not limited to walls, floors, windows, inside and under cabinets, under sinks, on counter tops, in closets, behind window coverings, under rugs or carpets, and under or behind furniture. Areas around the exterior, under the structure, in the garage and in the attic may also be obscured by stored items. The inspector in general does not move personal belongings, furnishings, carpets or appliances. When furnishings, stored items or debris are present, all areas or items that are obscured, concealed or not readily accessible are excluded from the inspection. The client should be aware that when furnishings, stored items or debris are eventually moved, damage or problems that were not noted during the inspection may be found. Structures built prior to the mid 1980's may contain asbestos. Asbestos is commonly found in various building materials such as insulation, siding, and/or floor and ceiling tiles. Laws were passed in 1978 to prohibit usage of asbestos, but stocks of materials containing these substances remained in use for a number of years thereafter. Asbestos is a known health hazard. Evaluating for the presence of asbestos is beyond the scope of this home inspection. Any mentions of asbestos in the report is made of courtesy only, and meant to refer client to specialist. Consult with a specialist as necessary for further evaluation. Because

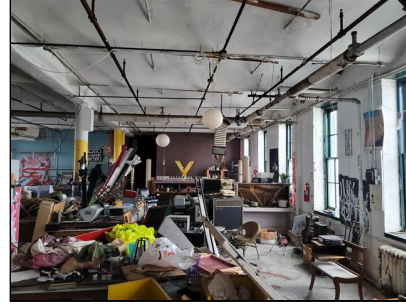
this home was built before 1978, there is a good chance it has lead-based paint. In 1978, the federal¹⁵ government banned consumer uses of lead-containing paint as a potential health hazard, but some states banned it even earlier. Lead from paint, including lead-contaminated dust, is one of the most common causes of lead poisoning.

Lead can be found in dust around the perimeter of the home exterior. It is a greater risk to young children than adults.

Determining the presence of lead paint requires a specialist inspection.

Standards of Practice: Maryland	Type of building: Multi-family Apartment building	Approximate Square Footage: 6000
Approximate Year of Original Construction: 1900	Pre 1978: Pre 1978	Mid-1980's and Older Asbestos Disclaimer: Asbestos Warning
Inspection Started At: 11am	Inspection Ended At: 2pm	Occupancy: The home was occupied
Attending the Inspection: Tenant	Weather during the Inspection: Heavy Rain	Significant Precipitation in last 3 Days: Yes
Temperature during Inspection: Below 60 (F) = 15.5 (C)	Ground/Soil Surface Condition: Wet	

1. Interior Rooms & Halls



Styles & Materials

Window Material:
Wood

Window Glazing:
Single-pane

Items

1.0 Floors

Repair/Replace

- 🔧 All floors were concrete and no flooring was installed. Many areas had metal bolts sticking out of floor which are a hazard.



1.0 Item 1(Picture)

1.1 Walls

Repair/Replace

- 🔧 (1) Holes in the exterior walls were observed in many areas.

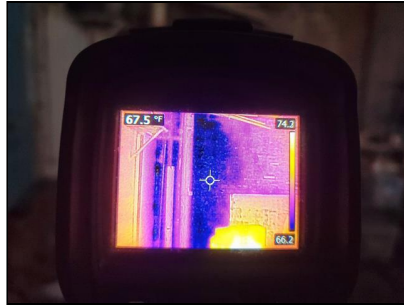


1.1 Item 1(Picture)

(2) Stains on the walls in the visible in many areas at the time of the inspection appeared to be the result of moisture intrusion. The moisture meter showed elevated moisture levels in the affected areas at the time of the inspection, indicating that the leakage has been recent. The Inspector recommends consultation with a qualified contractor to discuss options and costs for correction and repair.



1.1 Item 2(Picture)



1.1 Item 3(Picture)



1.1 Item 4(Picture)



1.1 Item 5(Picture)



1.1 Item 6(Picture)

(3) No insulation was installed in the exterior walls or ceilings. This condition will result in higher heating and cooling costs and lower comfort levels than would be the case if the walls were insulated.

(4) Walls in the exhibited moderate damage or deterioration and were poorly installed.

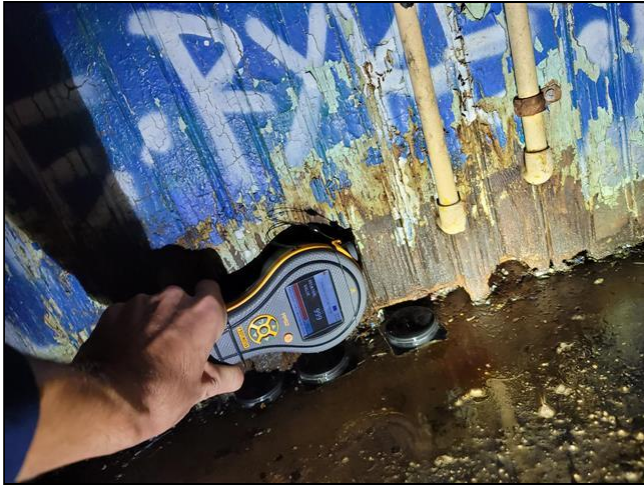


1.1 Item 7(Picture)



1.1 Item 8(Picture)

- 🔧 (5) Stains on the walls in the kitchen below sink and behind the shower visible at the time of the inspection appeared to be the result of moisture intrusion. The moisture meter showed elevated moisture levels in the affected areas at the time of the inspection, indicating that the leakage has been recent. The Inspector recommends consultation with a qualified contractor to discuss options and costs for correction and repair to prevent mold growth and unhealthy conditions.



1.1 Item 9(Picture)

1.2 Lighting

Repair/Replace

- 🔧 (1) Many interior light fixtures in the home were damaged or inoperable and extension cords with lighting was used instead. This condition is a potential fire or shock/electrocution hazard. The Inspector recommends repairs be performed by a qualified electrical contractor.



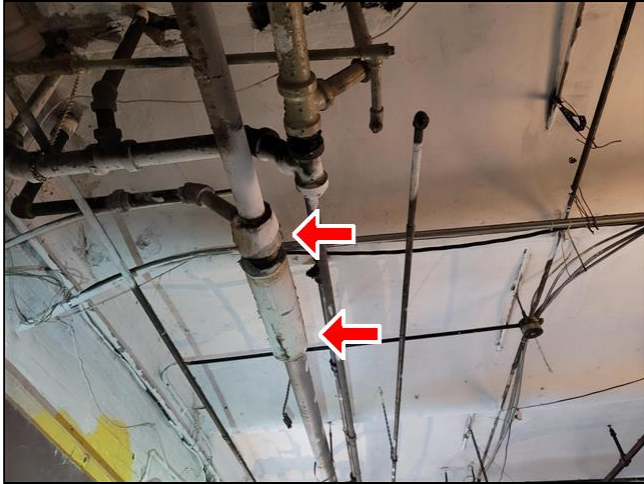
1.2 Item 1(Picture)

- 🔧 (2) Many areas of the home were missing light fixtures and were not illuminated. This is potential trip hazard when its dark outside.

1.3 Misc. Components: Ceiling fans, doorbells, Env. Hazards, Detectors, etc.

Repair/Replace

(1) Materials in the on the boiler distribution pipes throughout the home may contain asbestos. Asbestos has been classified as a known human carcinogen (a substance that causes cancer) by the U.S. Department of Health and Human Services, the EPA, and the International Agency for Research on Cancer. People who become ill from asbestos are usually those who are exposed to it on a regular basis, most often in a job where they work directly with the material or through substantial environmental contact. To cause health problems, asbestos must be in a form in which the fibers can be inhaled, such as when it is cut, torn, or sanded. The insulation on these pipes of concern had damage and deterioration that can be friable. The only way to know for certain whether asbestos is in a particular product or material is to have testing performed. A sample was taken and will be sent to a laboratory for testing.



1.3 Item 1(Picture)



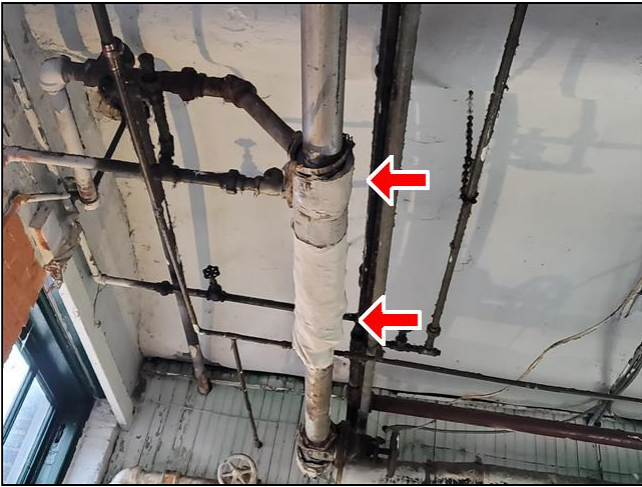
1.3 Item 2(Picture)



1.3 Item 3(Picture)



1.3 Item 4(Picture)



1.3 Item 5(Picture)

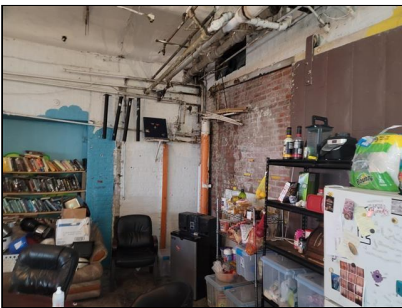


1.3 Item 6(Picture)



1.3 Item 7(Picture)

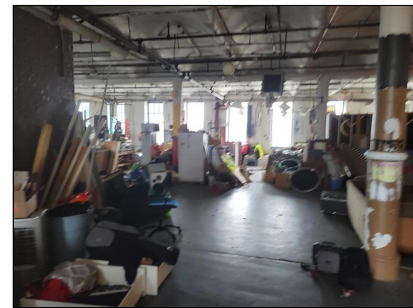
(2) Because this home was built before 1978, there is a good chance it has lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint as a potential health hazard, but some states banned it even earlier. Lead from paint, including lead-contaminated dust, is one of the most common causes of lead poisoning. Chipping, cracking, flaking and deteriorated paint was observed widespread throughout the building. All painted surfaces in the building should be repainted and repaired by a lead abatement contractor.



1.3 Item 8(Picture)



1.3 Item 9(Picture)



1.3 Item 10(Picture)



1.3 Item 11(Picture)

1.4 Doors

Repair/Replace

🔧 (1) Interior doors in the home were moderately damaged or deteriorated. This condition is a fire safety issue.



1.4 Item 1(Picture)



1.4 Item 2(Picture)

🔧 (2) The entry door did not have an operable locks and had sharp bolts sticking out. This condition is a fire hazard.



1.4 Item 3(Picture)



1.4 Item 4(Picture)

1.5 Windows and Skylights

Repair/Replace

🔧 (1) One or more window in the unit had a cracked or broken pane.



1.5 Item 1(Picture) bathroom

- (2) The lower sash of many of the windows in the unit would not stay up when lifted and released, and fell with enough force to cause significant injury. The Inspector recommends replacement by a qualified contractor.
- (3) Windows in the home were generally old, deteriorated, had chipping paint and were inoperable. The Inspector recommends window replacement.
- (4) A window in the common area was boarded up with loose wood and cinder blocks allowing moisture and air leakage into the building.



1.5 Item 2(Picture)

- (5) Components of window sill exteriors were loose, damaged or deteriorated and needed maintenance to help prevent damage from moisture intrusion to the home materials, the exterior wall structure and to prevent development of microbial growth such as mold. All work should be performed by a qualified contractor.



1.5 Item 3(Picture)

- (6) All windows were missing window screen.

1.6 Rodents or Insects

Repair/Replace

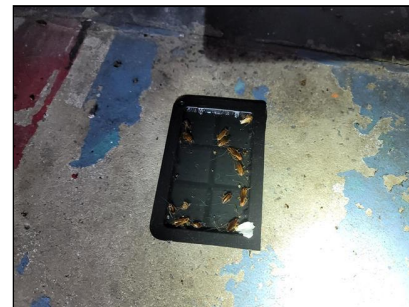
- Signs of possible roach and pest infestation was observed and should be further evaluated and treated by a qualified pest control contractor.



1.6 Item 1(Picture)



1.6 Item 2(Picture)



1.6 Item 3(Picture)

1.7 Luandry Apliance

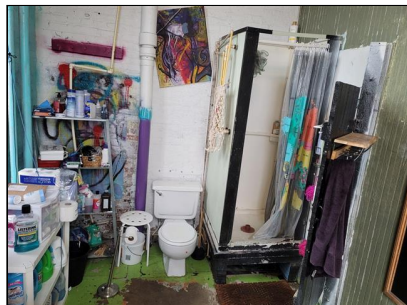
Repair/Replace

🔧 Laundry appliances were not functioning properly and should be repaired by a qualified technician.



1.7 Item 1(Picture)

2. Bathrooms



Items

2.0 Electrical Receptacles and Switches

Repair/Replace

- ✎ A ground fault circuit interrupter (GFCI) electrical receptacle in the bathroom did not respond to testing at the time of the inspection. The Inspector recommends that this receptacle be replaced with a new GFCI receptacle by a qualified electrical contractor.

2.1 Ventilation

Repair/Replace

- ✎ No exhaust fan was installed to exhaust moist air from bathing activities and windows were inoperable. This condition is likely to result in excessively high humidity levels elevated which may cause a number of problems, such as corrosion and deterioration of materials, and shower wall tile detachment. High humidity can also encourage the growth of microbes such as mold fungi. Excessive growth of mold fungi can produce high concentrations of mold spores in indoor air which can cause serious health problems in some people. Consider installation of an exhaust fan in this bathroom to exhaust moist air to the home exterior. All work should be performed by a qualified contractor.

2.2 Toilet

Repair/Replace

- ✎ (1) In the bathroom, the toilet was loose at the floor and should be re-attached by a qualified plumbing contractor.
- ✎ (2) The toilet in the bathroom ran continuously at the time of the inspection. This usually indicates a failed flapper valve, the need for float mechanism adjustment, or water leaking from the water tank into the bowl. The Inspector recommends correction to avoid wasting water.

2.3 Bathtub

Not Present

2.4 Shower

Repair/Replace

- ✎ (1) In the bathroom, the showerhead connection leaked when the shower was operated. The inspector recommends service by a qualified plumbing contractor.



2.4 Item 1(Picture)

- ⚡ (2) Water flow at the shower in the entry bathroom appeared to be inadequate. The Inspector recommends that you have this condition evaluated by a qualified plumbing contractor to determine the potential need and costs for correction.
- ⚡ (3) Fungi growth was observed below the shower pan due to water entering from behind the shower walls. The Inspector recommends installing a new shower enclosure to prevent water leakage and mold growth. The mold growth should be remediated by a qualified professional.



2.4 Item 2(Picture)



2.4 Item 3(Picture)



2.4 Item 4(Picture)

- ⚡ (4) In the bathroom, the shower enclosure was old and deteriorated.



2.4 Item 5(Picture)



2.4 Item 6(Picture)

3. Kitchen & Appliances

Styles & Materials

Range:
Electric

Items

3.0 Receptacles and Switches

Repair/Replace

- ⚡ The kitchen had an inoperable electrical receptacle. The Inspector recommends that an evaluation and any necessary corrections or repairs be performed by a qualified electrical contractor.

3.1 Cabinets

Repair/Replace

- ⚡ (1) Leaking connections at the trap assembly beneath the kitchen sink should be repaired to avoid future/additional damage to the cabinet floor and possibly the wall/floor structures below. The Inspector recommends repair by a qualified plumbing contractor.



3.1 Item 1(Picture)

- ⚡ (2) The kitchen sink faucet leaks when turned off.



3.1 Item 2(Picture)

- ⚡ (3) A faucet supply pipe connection in the cabinet beneath the kitchen sink was leaking at the connection and should be corrected to avoid cabinet damage. The Inspector recommends repair by a qualified plumbing contractor.

3.2 Range

Repair/Replace

- ⚡ (1) The range was not fastened to the floor. A child standing on the open oven door could overturn the range. This condition is a life-safety issue. The Inspector recommends installation of an approved anti-tip device by a qualified contractor.

🔧 (2) The electric stove had one or more inoperable stove top burners. The Inspector recommends²⁷ service by a qualified technician.

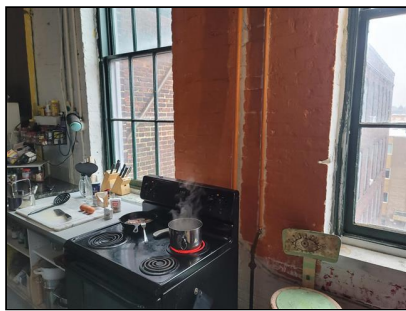


3.2 Item 1(Picture)

3.3 Range Hood

Repair/Replace

🔧 No range hood or exhaust system was installed at the time of the inspection. The Inspector recommends that an exhaust hood or air filtration system be installed to prevent possible moisture damage and grease accumulation on walls and ceiling adjacent to the range. All work should be performed by a qualified contractor.



3.3 Item 1(Picture)

3.4 Refrigerator

Inspected

4. Laundry & Appliance

Styles & Materials

Dryer Power:

Electric

Items

4.0 Dryer Venting

Repair/Replace

- ✎ No vent connection was provided for the dryer. Lack of proper dryer venting to the exterior may result in excessively high humidity levels that can damage home materials or components and may encourage the growth of microbes such as mold. Lack of proper dryer venting can also result in the accumulation of lint in the home. Lint is combustible and its accumulation is a potential fire hazard and a possible health hazard from the inhalation of particulates. The Inspector recommends proper installation of an Underwriter's Laboratory (UL)-approved dryer vent for safety reasons. Dryer vents should be cleaned annually to ensure that safe conditions continue to exist. All work should be performed by a qualified contractor.



4.0 Item 1(Picture)

5. Electrical System

Items

5.0 Overcurrent Protection Devices

Repair/Replace

- ⚡ Damaged circuit breakers visible in the service panel should be replaced by a qualified electrical contractor.

5.1 Conventional Electrical Receptacles (interior)

Repair/Replace

- ⚡ (1) The number of electrical receptacles in the home was inadequate and extension cords were used throughout the unit. This condition is potential fire hazard and should be corrected.



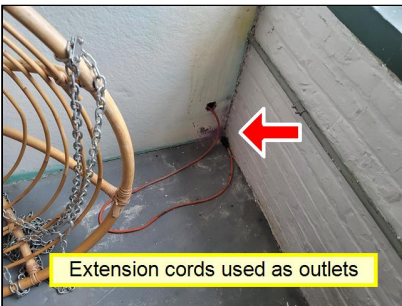
5.1 Item 1(Picture)



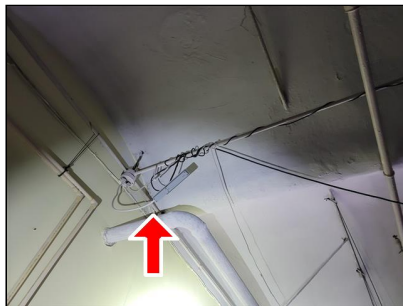
5.1 Item 2(Picture)



5.1 Item 3(Picture)

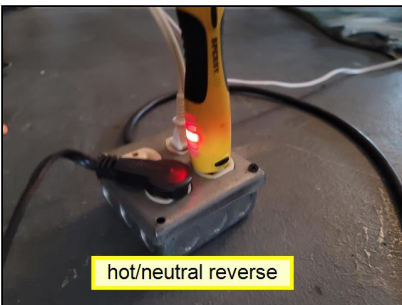


5.1 Item 4(Picture)

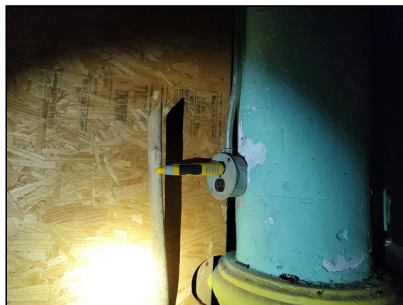


5.1 Item 5(Picture)

- ⚡ (2) Some electrical receptacles in this unit were improperly wired and should be corrected by a qualified electrical contractor to prevent a fire hazard.



5.1 Item 6(Picture)

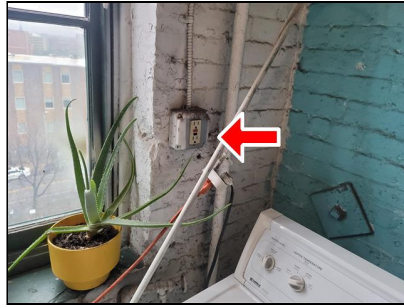


5.1 Item 7(Picture)

🔧 (3) Some electrical receptacles in the home were inoperable at the time of the inspection. The Inspector³⁰ recommends service by a qualified electrical contractor.



5.1 Item 8(Picture)



5.1 Item 9(Picture)

5.2 Lighting

Repair/Replace

🔧 This unit did not have operable and enough light fixtures. Extension cords with lighting and string lights were used. This condition is a potential fire hazard.



5.2 Item 1(Picture)

5.3 Visible Branch Wiring

Repair/Replace

🔧 (1) One or more junction boxes were missing covers and energized electrical components were exposed to touch. This condition is an electrical shock/electrocution hazard.



5.3 Item 1(Picture)

🔧 (2) Some of the electrical junction boxes had open wires and should be secured close to prevent electrical shock.³¹



5.3 Item 2(Picture)

🔧 (3) Extension cords used as house wiring visible in the throughout the apartment at the time of the inspection is a potential fire hazard. The Inspector recommends removal of the extension cord and proper wiring be installed by a qualified electrical contractor.



5.3 Item 3(Picture)



5.3 Item 4(Picture)



5.3 Item 5(Picture)

5.4 Smoke Detectors

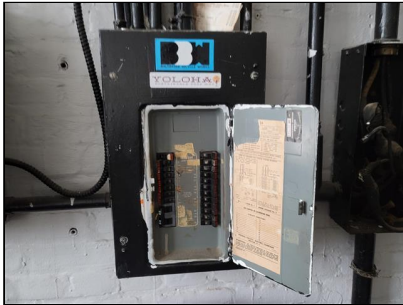
Repair/Replace

🔧 Smoke and Carbon monoxide detectors in this home were poorly placed and not enough were installed. Many of them were old and inoperable and were not compliant. Recommend installing smoke detectors as necessary by a qualified licensed electrician.

5.5 Sub-panel Manufacturer

Repair/Replace

This sub-panel was made by Federal Pacific and was the Stab-lok model. Federal Pacific Stab-lok model sub-panels are reputed to have a high rate of circuit breaker failure which can result in a fire or shock/electrocution. One of the breakers was damaged and sparks when turned on. The Inspector recommends that you consult with a qualified electrical contractor concerning for replacing this sub-panel. Information about defective Federal Pacific Stab-lok panels is widely available on the internet.

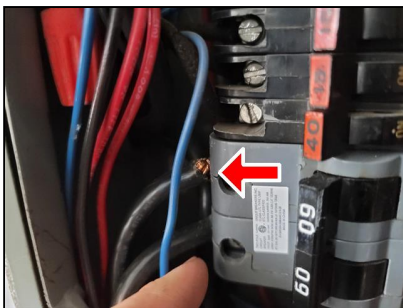


5.5 Item 1(Picture)

5.6 Sub Panel Wiring

Repair/Replace

Strands from the service entrance wires were cut and may cause the the wires to overheat. The Inspector recommends evaluation and repair as necessary by a qualified licensed electrician.



5.6 Item 1(Picture)

6. Plumbing System

Styles & Materials

Water Supply

Source:

Public Water Supply

Water Distribution Pipes:

1/2-inch copper
1/2-inch galvanized steel
Chlorinated Polyvinyl Chloride (CPVC)

Distribution Pipe Bonding:

No Bonding Visible

Sewage System

Type:

Public

Drain Waste and Vent Pipe

Materials:

Acrylonitrile butadiene styrene (ABS)
Polyvinyl Chloride (PVC)
Cast Iron

Water Heater Manufacturer:

Unable to determine (missing/illegible information)

Date of

Manufacture:

Unable to determine

Water Heater Fuel Type:

Electric

Water Heater Type:

Tank (conventional)

Items

6.0 Water Supply and Distribution

Repair/Replace

- (1) Some of the visible water distribution pipes were galvanized steel. This pipes are old, and of a material no longer installed for this purpose due to bore shrinkage from accumulation of interior corrosion that over time reduces water flow. These pipes may need to be replaced soon.



6.0 Item 1(Picture)



6.0 Item 2(Picture)

- (2) Actively leaking, heavily-corroded water distribution pipes visible in the bathroom should be repaired by a qualified plumbing contractor to avoid damage to home materials or the development of conditions which encourage the growth of microbes such as mold.



6.0 Item 3(Picture)

- (3) Chlorinated Poly Vinyl Chloride (CPVC) water distribution pipes were poorly supported in the unit. This condition puts excessive strain on fittings and may result in premature failure. Horizontally-oriented CPVC distribution pipes should be supported at least every 3 feet. The Inspector recommends installation of

additional supports by a qualified contractor. Some portions of the home distribution piping will not be accessible for installation of additional supports.³⁴



6.0 Item 4(Picture)



6.0 Item 5(Picture)

(4) Plumbing fixtures in the home exhibited inadequate flow. The Inspector recommends that this condition be investigated by a qualified plumbing contractor to determine the potential costs for correction.

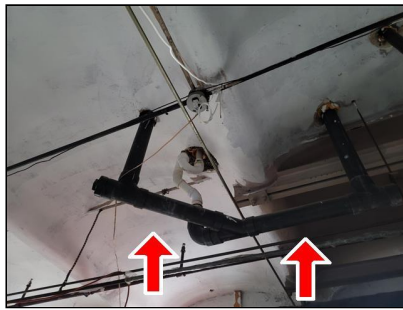
6.1 Sewage and DWV Systems

Repair/Replace

(1) Many traps were of a type called an "S-trap". S-traps are no longer allowed to be installed in new construction for safety reasons. A siphon can develop which empties the trap of water; a condition with the potential to allow toxic sewer gas to enter the living space. Although this type of trap may have been commonly considered safe at the time the home was originally constructed, as general knowledge of safe building practices has improved with the passage of time, building standards have changed to reflect current understanding. The Inspector recommends replacement of all such traps in the home by a qualified plumbing contractor.



6.1 Item 1(Picture)

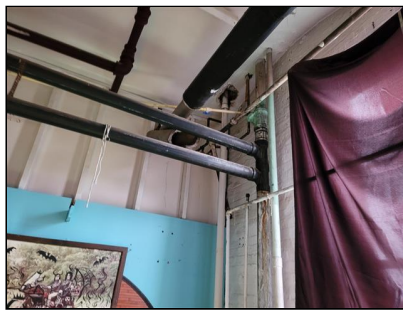


6.1 Item 2(Picture)

(2) Drain/waste pipes in the rear bedroom were damaged and had created unhealthy conditions at the time of the inspection. The Inspector recommends correction and disinfection by a qualified contractor.



6.1 Item 3(Picture)



6.1 Item 4(Picture)



6.1 Item 5(Picture)

⚡ (3) Supports for the ABS or PVC drain/waste pipe visible in the rear bedroom were located too far apart. The maximum support spacing recommended by generally-accepted modern plumbing standards is 4 feet. The Inspector recommends correction by a qualified contractor.



6.1 Item 6(Picture)



6.1 Item 7(Picture)

6.2 Electric Water Heater

Repair/Replace

⚡ The pressure relief valve was leaking at the time of the inspection. Because the TPR valve is an important safety component it should be replaced by a qualified HVAC technician or plumbing contractor.



6.2 Item 1(Picture)

6.3 Fire Suppression System

Repair/Replace

⚡ Some of the fire extinguishers in the common areas had expired inspections.



6.3 Item 1(Picture)

7. Heating

Styles & Materials

Heating System Type:
None

Number of Heat Systems (excluding wood):
None


Items

7.0 Thermostat

Not Present

7.1 Presence of installed heat source in each room

Repair/Replace

-  The apartment had no operable heat present in all the rooms. Heat was relied on old boiler distribution pipes to give off heat without radiators which was not suffice and was inoperable at the time of the inspection. Heat was not on and no controls were present. The Inspector recommends that heat be installed in each room with accessible thermostats to the occupants of the apartment by a qualified HVAC contractor or electrician. It was cold outside and in the units at the time of the inspection.



7.1 Item 1(Picture)



7.1 Item 2(Picture)

General Summary



Property Inspection Pros LLC

443-934-4574

sol@mdinspectionpros.com

www.mdinspectionpros.com

Customer

Anna Velicky

Address

309 Federal Ave Unit F501

Baltimore MD 21202

The following items or discoveries indicate that these systems or components **do not function as intended** or **adversely affects the habitability of the dwelling**; or **warrants further investigation by a specialist**, or **requires subsequent observation**. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Interior Rooms & Halls

1.0 Floors

Repair/Replace



All floors were concrete and no flooring was installed. Many areas had metal bolts sticking out of floor which are a hazard.



1.0 Item 1(Picture)

1.1 Walls

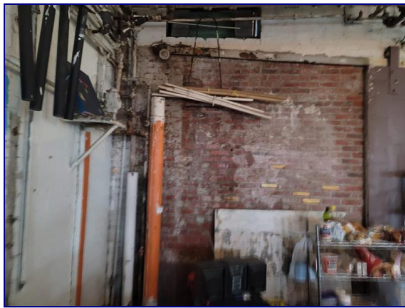
Repair/Replace

(1) Holes in the exterior walls were observed in many areas.

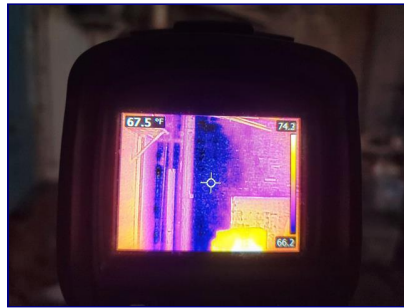


1.1 Item 1(Picture)

(2) Stains on the walls in the visible in many areas at the time of the inspection appeared to be the result of moisture intrusion. The moisture meter showed elevated moisture levels in the affected areas at the time of the inspection, indicating that the leakage has been recent. The Inspector recommends consultation with a qualified contractor to discuss options and costs for correction and repair.



1.1 Item 2(Picture)



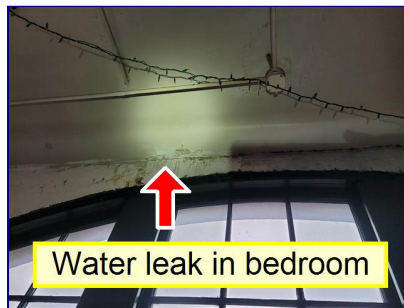
1.1 Item 3(Picture)



1.1 Item 4(Picture)



1.1 Item 5(Picture)



1.1 Item 6(Picture)

(3) No insulation was installed in the exterior walls or ceilings. This condition will result in higher heating and cooling costs and lower comfort levels than would be the case if the walls were insulated.

(4) Walls in the exhibited moderate damage or deterioration and were poorly installed.

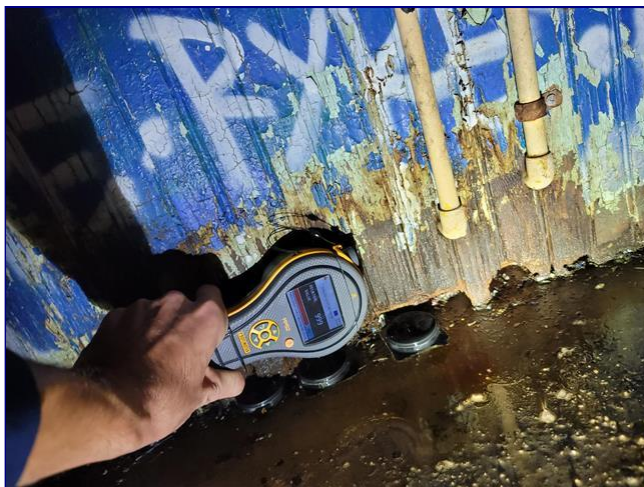


1.1 Item 7(Picture)



1.1 Item 8(Picture)

(5) Stains on the walls in the kitchen below sink and behind the shower visible at the time of the inspection appeared to be the result of moisture intrusion. The moisture meter showed elevated moisture levels in the affected areas at the time of the inspection, indicating that the leakage has been recent. The Inspector recommends consultation with a qualified contractor to discuss options and costs for correction and repair to prevent mold growth and unhealthy conditions.



1.1 Item 9(Picture)

1.2 Lighting

Repair/Replace



(1) Many interior light fixtures in the home were damaged or inoperable and extension cords with lighting was used instead. This condition is a potential fire or shock/electrocution hazard. The Inspector recommends repairs be performed by a qualified electrical contractor.



1.2 Item 1(Picture)



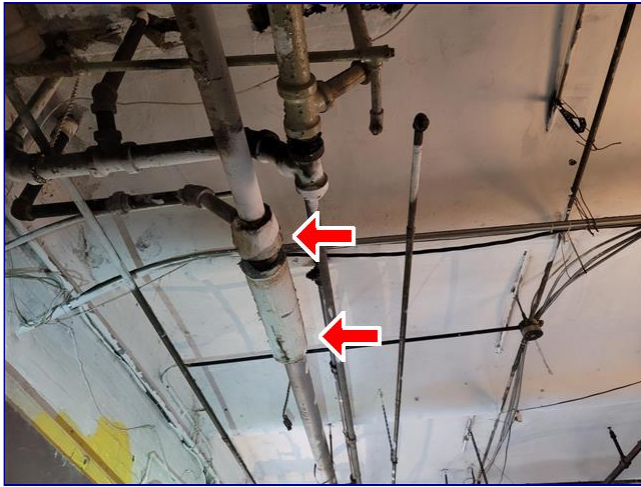
(2) Many areas of the home were missing light fixtures and were not illuminated. This is potential trip hazard when its dark outside.

1.3 Misc. Components: Ceiling fans, doorbells, Env. Hazards, Detectors, etc.

Repair/Replace



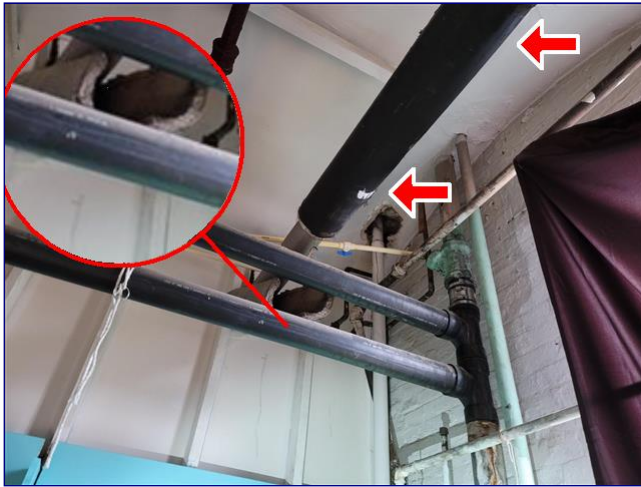
(1) Materials in the on the boiler distribution pipes throughout the home may contain asbestos. Asbestos has been classified as a known human carcinogen (a substance that causes cancer) by the U.S. Department of Health and Human Services, the EPA, and the International Agency for Research on Cancer. People who become ill from asbestos are usually those who are exposed to it on a regular basis, most often in a job where they work directly with the material or through substantial environmental contact. To cause health problems, asbestos must be in a form in which the fibers can be inhaled, such as when it is cut, torn, or sanded. The insulation on these pipes of concern had damage and deterioration that can be friable. The only way to know for certain whether asbestos is in a particular product or material is to have testing performed. A sample was taken and will be sent to a laboratory for testing.



1.3 Item 1(Picture)



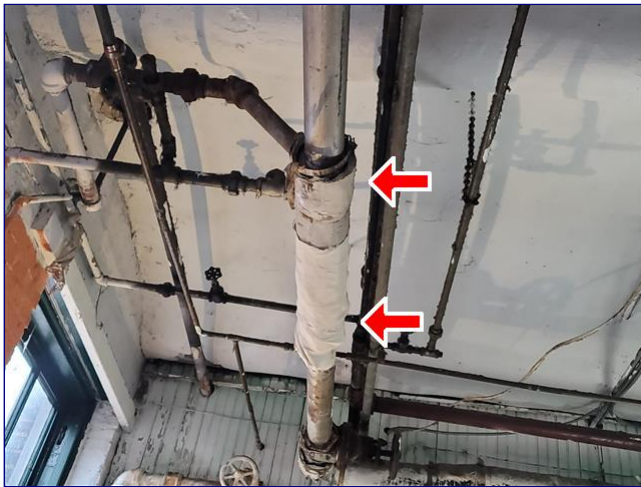
1.3 Item 2(Picture)



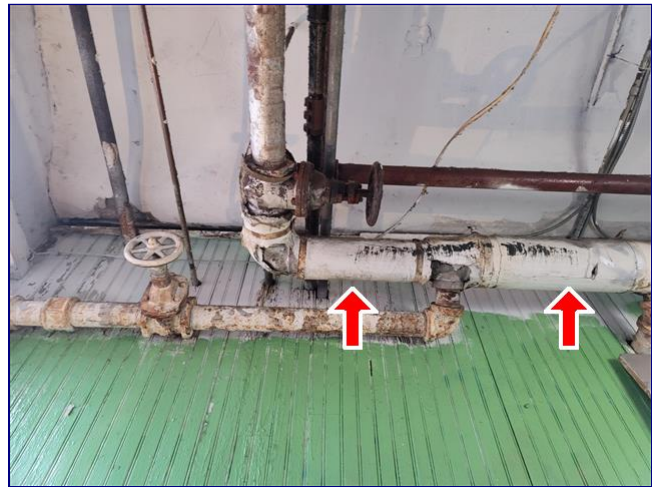
1.3 Item 3(Picture)



1.3 Item 4(Picture)



1.3 Item 5(Picture)



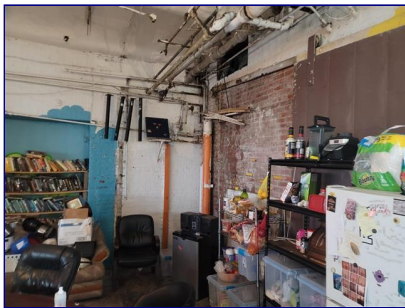
1.3 Item 6(Picture)



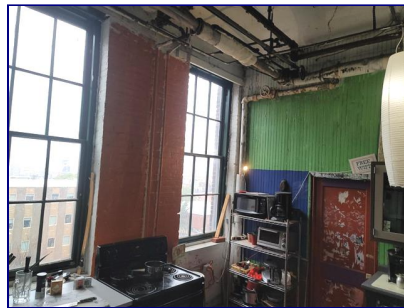
1.3 Item 7(Picture)



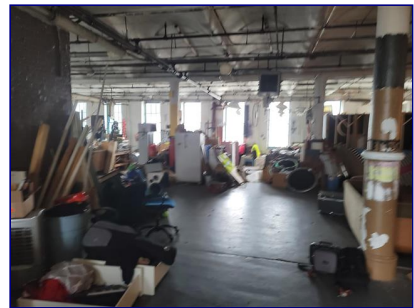
(2) Because this home was built before 1978, there is a good chance it has lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint as a potential health hazard, but some states banned it even earlier. Lead from paint, including lead-contaminated dust, is one of the most common causes of lead poisoning. Chipping, cracking, flaking and deteriorated paint was observed widespread throughout the building. All painted surfaces in the building should be repainted and repaired by a lead abatement contractor.



1.3 Item 8(Picture)



1.3 Item 9(Picture)



1.3 Item 10(Picture)



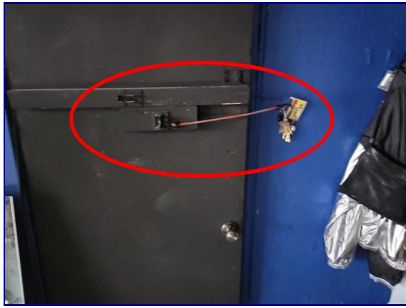
1.3 Item 11(Picture)

1.4 Doors

Repair/Replace



(1) Interior doors in the home were moderately damaged or deteriorated. This condition is a fire safety issue.



1.4 Item 1(Picture)



1.4 Item 2(Picture)



(2) The entry door did not have an operable locks and had sharp bolts sticking out. This condition is a fire hazard.



1.4 Item 3(Picture)



1.4 Item 4(Picture)

1.5 Windows and Skylights

Repair/Replace



(1) One or more window in the unit had a cracked or broken pane.



1.5 Item 1(Picture) bathroom



(2) The lower sash of many of the windows in the unit would not stay up when lifted and released, and fell with enough force to cause significant injury. The Inspector recommends replacement by a qualified contractor.



(3) Windows in the home were generally old, deteriorated, had chipping paint and were inoperable. The Inspector recommends window replacement.



(4) A window in the common area was boarded up with loose wood and cinder blocks allowing moisture and air leakage into the building.



1.5 Item 2(Picture)



(5) Components of window sill exteriors were loose, damaged or deteriorated and needed maintenance to help prevent damage from moisture intrusion to the home materials, the exterior wall structure and to prevent development of microbial growth such as mold. All work should be performed by a qualified contractor.



1.5 Item 3(Picture)



(6) All windows were missing window screen.

1.6 Rodents or Insects

Repair/Replace



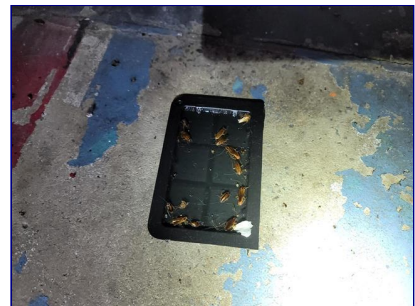
Signs of possible roach and pest infestation was observed and should be further evaluated and treated by a qualified pest control contractor.



1.6 Item 1(Picture)



1.6 Item 2(Picture)



1.6 Item 3(Picture)

1.7 Laundry Appliances

Repair/Replace



Laundry appliances were not functioning properly and should be repaired by a qualified technician.



1.7 Item 1(Picture)

2. Bathrooms

2.0 Electrical Receptacles and Switches

Repair/Replace

- ✎ A ground fault circuit interrupter (GFCI) electrical receptacle in the bathroom did not respond to testing at the time of the inspection. The Inspector recommends that this receptacle be replaced with a new GFCI receptacle by a qualified electrical contractor.

2.1 Ventilation

Repair/Replace

- ✎ No exhaust fan was installed to exhaust moist air from bathing activities and windows were inoperable. This condition is likely to result in excessively high humidity levels elevated which may cause a number of problems, such as corrosion and deterioration of materials, and shower wall tile detachment. High humidity can also encourage the growth of microbes such as mold fungi. Excessive growth of mold fungi can produce high concentrations of mold spores in indoor air which can cause serious health problems in some people. Consider installation of an exhaust fan in this bathroom to exhaust moist air to the home exterior. All work should be performed by a qualified contractor.

2.2 Toilet

Repair/Replace

- ✎ (1) In the bathroom, the toilet was loose at the floor and should be re-attached by a qualified plumbing contractor.
- ✎ (2) The toilet in the bathroom ran continuously at the time of the inspection. This usually indicates a failed flapper valve, the need for float mechanism adjustment, or water leaking from the water tank into the bowl. The Inspector recommends correction to avoid wasting water.

2.4 Shower

Repair/Replace

- ✎ (1) In the bathroom, the showerhead connection leaked when the shower was operated. The inspector recommends service by a qualified plumbing contractor.



2.4 Item 1(Picture)

- ⚡ (2) Water flow at the shower in the entry bathroom appeared to be inadequate. The Inspector⁴⁵ recommends that you have this condition evaluated by a qualified plumbing contractor to determine the potential need and costs for correction.
- ⚡ (3) Fungi growth was observed below the shower pan due to water entering from behind the shower walls. The Inspector recommends installing a new shower enclosure to prevent water leakage and mold growth. The mold growth should be remediated by a qualified professional.



2.4 Item 2(Picture)



2.4 Item 3(Picture)

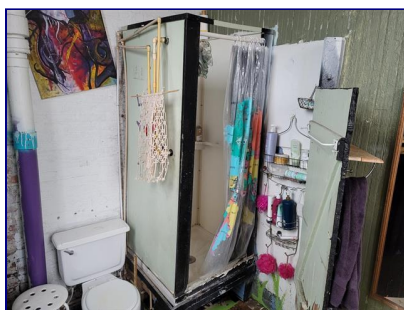


2.4 Item 4(Picture)

- ⚡ (4) In the bathroom, the shower enclosure was old and deteriorated.



2.4 Item 5(Picture)



2.4 Item 6(Picture)

3. Kitchen & Appliances

3.0 Receptacles and Switches

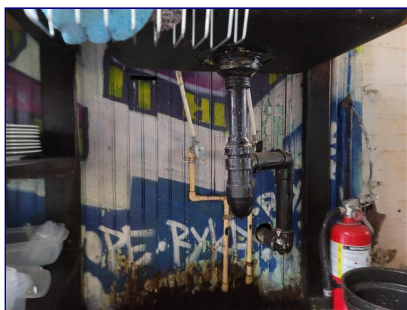
Repair/Replace

- ⚡ The kitchen had an inoperable electrical receptacle. The Inspector recommends that an evaluation and any necessary corrections or repairs be performed by a qualified electrical contractor.

3.1 Cabinets

Repair/Replace

- ⚡ (1) Leaking connections at the trap assembly beneath the kitchen sink should be repaired to avoid future/additional damage to the cabinet floor and possibly the wall/floor structures below. The Inspector recommends repair by a qualified plumbing contractor.



3.1 Item 1(Picture)

- ⚡ (2) The kitchen sink faucet leaks when turned off.



3.1 Item 2(Picture)

- 🔧 (3) A faucet supply pipe connection in the cabinet beneath the kitchen sink was leaking at the connection and should be corrected to avoid cabinet damage. The Inspector recommends repair by a qualified plumbing contractor.

3.2 Range

Repair/Replace

- 🔧 (1) The range was not fastened to the floor. A child standing on the open oven door could overturn the range. This condition is a life-safety issue. The Inspector recommends installation of an approved anti-tip device by a qualified contractor.
- 🔧 (2) The electric stove had one or more inoperable stove top burners. The Inspector recommends service by a qualified technician.

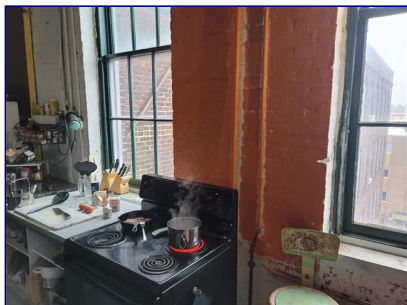


3.2 Item 1(Picture)

3.3 Range Hood

Repair/Replace

- 🔧 No range hood or exhaust system was installed at the time of the inspection. The Inspector recommends that an exhaust hood or air filtration system be installed to prevent possible moisture damage and grease accumulation on walls and ceiling adjacent to the range. All work should be performed by a qualified contractor.



3.3 Item 1(Picture)

4. Laundry & Appliance

4.0 Dryer Venting

Repair/Replace

No vent connection was provided for the dryer. Lack of proper dryer venting to the exterior may result in excessively high humidity levels that can damage home materials or components and may encourage the growth of microbes such as mold. Lack of proper dryer venting can also result in the accumulation of lint in the home. Lint is combustible and its accumulation is a potential fire hazard and a possible health hazard from the inhalation of particulates. The Inspector recommends proper installation of an Underwriter's Laboratory (UL)-approved dryer vent for safety reasons. Dryer vents should be cleaned annually to ensure that safe conditions continue to exist. All work should be performed by a qualified contractor.



4.0 Item 1(Picture)

5. Electrical System

5.0 Overcurrent Protection Devices

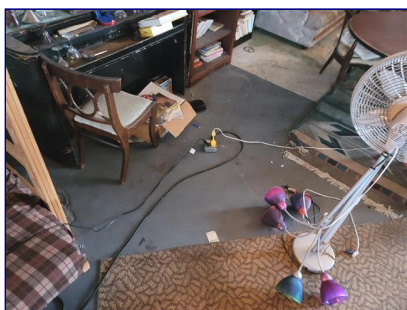
Repair/Replace

Damaged circuit breakers visible in the service panel should be replaced by a qualified electrical contractor.

5.1 Conventional Electrical Receptacles (interior)

Repair/Replace

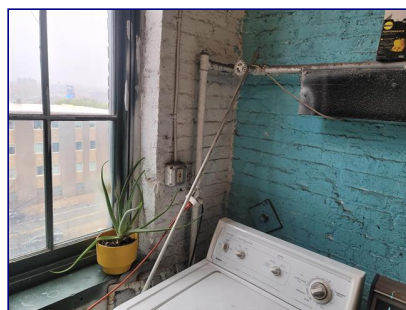
(1) The number of electrical receptacles in the home was inadequate and extension cords were used throughout the unit. This condition is potential fire hazard and should be corrected.



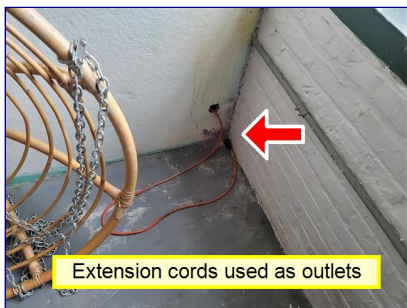
5.1 Item 1(Picture)



5.1 Item 2(Picture)



5.1 Item 3(Picture)

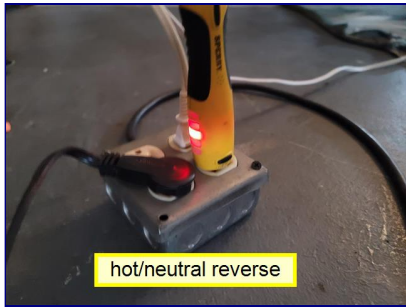


5.1 Item 4(Picture)

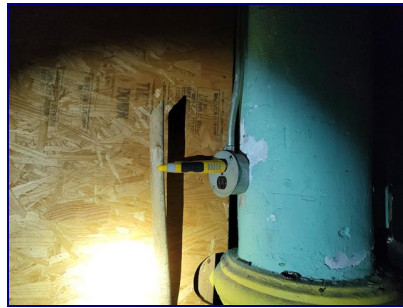


5.1 Item 5(Picture)

- (2) Some electrical receptacles in this unit were improperly wired and should be corrected by a qualified electrical contractor to prevent a fire hazard.⁴⁸



5.1 Item 6(Picture)

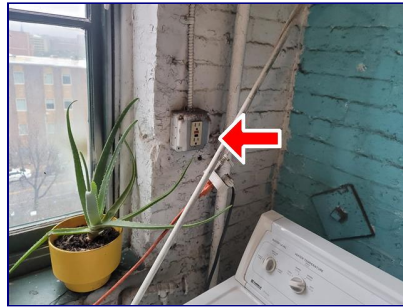


5.1 Item 7(Picture)

- (3) Some electrical receptacles in the home were inoperable at the time of the inspection. The Inspector recommends service by a qualified electrical contractor.



5.1 Item 8(Picture)



5.1 Item 9(Picture)

5.2 Lighting

Repair/Replace

- This unit did not have operable and enough light fixtures. Extension cords with lighting and string lights were used. This condition is a potential fire hazard.



5.2 Item 1(Picture)

5.3 Visible Branch Wiring

Repair/Replace

- (1) One or more junction boxes were missing covers and energized electrical components were exposed to touch. This condition is an electrical shock/electrocution hazard.



5.3 Item 1(Picture)



(2) Some of the electrical junction boxes had open wires and should be secured close to prevent electrical shock.



5.3 Item 2(Picture)



(3) Extension cords used as house wiring visible in the throughout the apartment at the time of the inspection is a potential fire hazard. The Inspector recommends removal of the extension cord and proper wiring be installed by a qualified electrical contractor.



5.3 Item 3(Picture)



5.3 Item 4(Picture)



5.3 Item 5(Picture)

5.4 Smoke Detectors

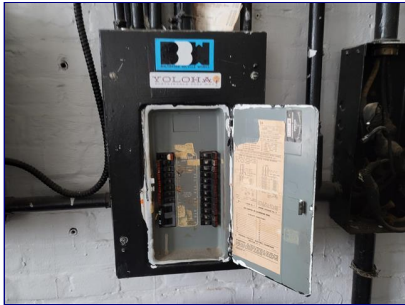
Repair/Replace

- 🔧 Smoke and Carbon monoxide detectors in this home were poorly placed and not enough were installed. Many of them were old and inoperable and were not compliant. Recommend installing smoke detectors as necessary by a qualified licensed electrician.

5.5 Sub-panel Manufacturer

Repair/Replace

- 🔧 This sub-panel was made by Federal Pacific and was the Stab-lok model. Federal Pacific Stab-lok model sub-panels are reputed to have a high rate of circuit breaker failure which can result in a fire or shock/electrocution. One of the breakers was damaged and sparks when turned on. The Inspector recommends that you consult with a qualified electrical contractor concerning for replacing this sub-panel. Information about defective Federal Pacific Stab-lok panels is widely available on the internet.

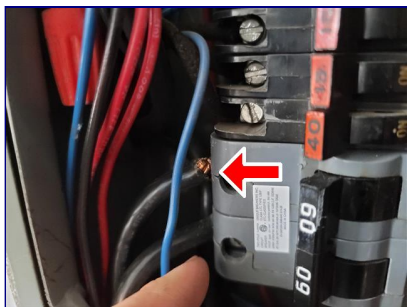


5.5 Item 1(Picture)

5.6 Sub Panel Wiring

Repair/Replace

- 🔧 Strands from the service entrance wires were cut and may cause the the wires to overheat. The Inspector recommends evaluation and repair as necessary by a qualified licensed electrician.



5.6 Item 1(Picture)

6. Plumbing System

6.0 Water Supply and Distribution

Repair/Replace

- (1) Some of the visible water distribution pipes were galvanized steel. These pipes are old, and of a material no longer installed for this purpose due to bore shrinkage from accumulation of interior corrosion that over time reduces water flow. These pipes may need to be replaced soon.



6.0 Item 1(Picture)



6.0 Item 2(Picture)

- (2) Actively leaking, heavily-corroded water distribution pipes visible in the bathroom should be repaired by a qualified plumbing contractor to avoid damage to home materials or the development of conditions which encourage the growth of microbes such as mold.



6.0 Item 3(Picture)

- (3) Chlorinated Poly Vinyl Chloride (CPVC) water distribution pipes were poorly supported in the unit. This condition puts excessive strain on fittings and may result in premature failure. Horizontally-oriented CPVC distribution pipes should be supported at least every 3 feet. The Inspector recommends installation of additional supports by a qualified contractor. Some portions of the home distribution piping will not be accessible for installation of additional supports.



6.0 Item 4(Picture)



6.0 Item 5(Picture)

(4) Plumbing fixtures in the home exhibited inadequate flow. The Inspector recommends that this condition be investigated by a qualified plumbing contractor to determine the potential costs for correction.

6.1 Sewage and DWV Systems

Repair/Replace

(1) Many traps were of a type called an "S-trap". S-traps are no longer allowed to be installed in new construction for safety reasons. A siphon can develop which empties the trap of water; a condition with the potential to allow toxic sewer gas to enter the living space. Although this type of trap may have been commonly considered safe at the time the home was originally constructed, as general knowledge of safe building practices has improved with the passage of time, building standards have changed to reflect current understanding. The Inspector recommends replacement of all such traps in the home by a qualified plumbing contractor.



6.1 Item 1(Picture)

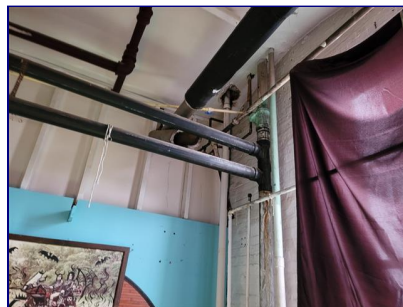


6.1 Item 2(Picture)

(2) Drain/waste pipes in the rear bedroom were damaged and had created unhealthy conditions at the time of the inspection. The Inspector recommends correction and disinfection by a qualified contractor.



6.1 Item 3(Picture)



6.1 Item 4(Picture)

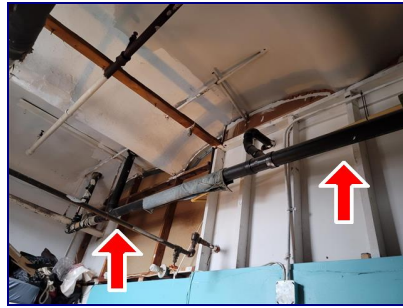


6.1 Item 5(Picture)

(3) Supports for the ABS or PVC drain/waste pipe visible in the rear bedroom were located too far apart. The maximum support spacing recommended by generally-accepted modern plumbing standards is 4 feet. The Inspector recommends correction by a qualified contractor.



6.1 Item 6(Picture)



6.1 Item 7(Picture)

6.2 Electric Water Heater

Repair/Replace



The pressure relief valve was leaking at the time of the inspection. Because the TPR valve is an important safety component it should be replaced by a qualified HVAC technician or plumbing contractor.



6.2 Item 1(Picture)

6.3 Fire Suppression System

Repair/Replace



Some of the fire extinguishers in the common areas had expired inspections.




6.3 Item 1(Picture)

7. Heating

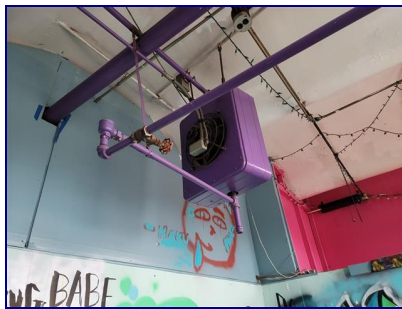
7.1 Presence of installed heat source in each room

Repair/Replace

 The apartment had no operable heat present in all the rooms. Heat was relied on old boiler distribution pipes to give off heat without radiators which was not suffice and was inoperable at the time of the inspection. Heat was not on and no controls were present. The Inspector recommends that heat be installed in each room with accessible thermostats to the occupants of the apartment by a qualified HVAC contractor or electrician. It was cold outside and in the units at the time of the inspection.



7.1 Item 1(Picture)



7.1 Item 2(Picture)

Home inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. Home inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

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SB0563_Arielle Juberg_FAV.pdf

Uploaded by: Arielle Juberg

Position: FAV

SB0563, Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure
Favorable Testimony

To: Chair Smith and members of the Judicial Proceedings Committee
From: Arielle Juberg, Baltimore, MD 21234

My name is Arielle Juberg. I am a resident of Baltimore County in District 8. I belong to Showing Up for Racial Justice (SURJ) in Baltimore. SURJ is working in collaboration with CASA de Maryland and Renters United. I am testifying in **support** of SB0563, Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure.

SB0563 is important to me because everyone deserves a safe, hazard-free home. Our current system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. As a renter, I've encountered elevator doors with no sensors, poorly insulated buildings, and outdated fire extinguishing systems. I didn't know about these issues before moving in, and I had little ability to fix them.

Outside Maryland, the fire that killed 17 people in New York in January 2022 was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn't close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a dangerous situation.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

We have systems to ensure safe rental housing. Don't allow landlords to unlawfully operate hazardous rental properties while benefiting from eviction processes. I am encouraging you to vote **in support of SB0563**. Thank you for your time, service, and consideration.

SB0563_ComprollerBillHenry_FAV.pdf

Uploaded by: Bill Henry

Position: FAV



BILL HENRY
OFFICE OF THE COMPTROLLER

City Hall – Room 204
100 Holliday St Baltimore, MD 21202

February 18, 2022

The Honorable William C. Smith, Jr., Chairman
Judicial Proceedings Committee
Senate of Maryland
2 East Miller Senate Office Building
Annapolis MD 21401

Dear Chairman Smith:

I am writing in support of Senate Bill 563, “Real Property—Actions to Repossess—Judgment for Tenants and Proof of Licensure.” SB 563 would require a landlord who files an action for repossession of residential property in the District Court to demonstrate that the property is licensed as required under applicable local laws or ordinances before the landlord can obtain a judgment for failure to pay rent, tenant holding over, or breach of lease. Baltimore City, which I represent, has such licensing requirements codified in Subtitle 4 of Article 13, Housing and Urban Renewal, of the City Code.

Before my election to the Office of Baltimore City Comptroller, I served for thirteen years on the Baltimore City Council. In 2018 I introduced Council Bill 18-0185, which significantly broadened and strengthened the existing rental licensing laws by extending licensing requirements to non-owner-occupied, one and two-unit rental dwellings. The bill had eleven co-sponsors including our current Mayor, Brandon Scott, and was enacted into law in April 2018 as Ordinance 18-130. I developed this legislation in collaboration with not only the City’s Housing department, but also many of the advocates who are testifying before you on SB 563, including the Public Justice Center. Council Bill 180-0185 was the most significant update to Baltimore City’s rental licensing law in fifty years, and it effectively applied inspection and safety requirements to all private rental housing.

The aim of our local legislation was to extend licensing, inspection, and safety requirements to what was then one of the least-regulated sectors of the rental property market. A guiding principle underlying this major expansion of rental licensing is that affordable, safe, and well-maintained housing is a human right. As a former community development professional, I was and am well aware of the terrible conditions that some landlords, particularly absentee landlords shielded by anonymous LLCs, allow their properties to deteriorate into. It is essential that all landlords be held to the basic standards of maintenance and safety that the City’s licensing law mandates. Similarly, landlords should be required to have a valid license before pursuing expedited actions of eviction against renters. I can say without hesitation that this was our clear legislative intent—if landlords did not follow the law by inspecting and licensing their properties, they not should not have government’s assistance in taking action against their tenants.

As a lifelong advocate for fair and affordable housing, I was deeply concerned by the Court of Appeals’ ruling in *Velicky v. Copy Cat Building* last December. I realize that the provisions of state law allowing

The Hon. William C. Smith, Jr.
Page Two

the use of summary eviction proceedings in the District Court have evolved over many years and reflect the wisdom and consensus of the General Assembly, and that *Velicky* only applied to an action under Maryland's "tenant holding over" statute. The Court's holding, however, stretched the current law beyond any reasonable interpretation and created a loophole through which unlicensed landlords can retake their property within a matter of days of filing with the District Court, simply because they are asserting a right of possession and not claiming any money from their tenant.

This ruling is a judicially-crafted slap in the face to local jurisdictions with rental licensing laws, as well as to renters who deserve safe and habitable housing, and to landlords who follow the law and keep their property inspected and registered. To paraphrase Judge Watts' dissent, allowing an unlicensed landlord to repossess property under the tenant holding over statute means there will be little incentive for landlords to obtain licenses and comply with housing code requirements. The precedent *Velicky* creates is even worse. Since the Court of Appeals has fashioned a way around local licensing requirements in one class of expedited eviction actions, it is only a matter of time before unlicensed landlords seeking to evict tenants for failure to pay rent and breach of lease start pushing such cases through the judicial system. That is why SB 563 is vitally necessary. It codifies what should be common sense; if a local jurisdiction has a rental licensing ordinance, a landlord must comply with it before using expedited procedures to evict a tenant.

Simply put, effective and enforceable rental licensing laws are the right thing to do, as a matter of public policy and of simple equity and justice. The change in state law proposed in SB 563 offers a simple solution to restore the balance between landlords' property rights and the duty of local governments to protect our constituents from exploitation.

For all these reasons, I respectfully request the committee to give SB 563 a favorable report. If you have any questions, please feel free to contact me at 410-396-4577 or via email at comptroller@baltimorecity.gov.

Sincerely,



Bill Henry
Baltimore City Comptroller

CC: Senator Cory McCray, Chair, Baltimore City Senate Delegation
Ms. Natasha Mehu, Mayor's Office of Government Relations

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Daryl Yoder

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of District 12. **I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Daryl Yoder

309 Glenmore Ave.

Catonsville, MD 21228

Showing Up for Racial Justice Baltimore

SB0563-JPR_MACo_SUP.pdf

Uploaded by: D'Paul Nibber

Position: FAV



MARYLAND
Association of
COUNTIES

Senate Bill 563

Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: February 22, 2022

From: D'Paul Nibber

The Maryland Association of Counties (MACo) **SUPPORTS** SB 563. This bill would, among other provisions, require a landlord to comply with a county's licensing scheme for the operation of residential rental properties prior to filing for repossession of a property.

Licensing schemes for rental properties are a means for governments to ensure proper code and zoning compliance for the welfare of their communities, as well as maintain a proper record of housing needs within their jurisdiction. Allowing a complaint for repossession of a property to proceed without compliance with these licensing schemes completely undermines their validity. It would permit landlords to continue the illegal operation of residential rental properties by retaining the necessary tools of eviction and continued collection of rent by threat of eviction.

SB 563 would prevent courts from potentially undermining counties seeking to protect, and reflect the will of, our shared constituents. For this reason, MACo **SUPPORTS** SB 563 and urges a **FAVORABLE** report.

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Erica Palmisano

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. **I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

As a landlord of a property in Howard County myself, I know it takes time and energy – and repairs and maintenance – to get and keep a rental license. I take the renewal seriously each time it is required, and I know that’s my responsibility. It penalizes landlords operating in good faith, such as myself, when landlords are allowed to manage their own properties in bad faith. You have a chance with this bill to ensure no competitive advantage accrues for bad behavior.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Erica Palmisano
5580 Vantage Point Rd, Apt 5, Columbia, MD
Showing Up for Racial Justice Baltimore

SB564 Final.pdf

Uploaded by: Gregory Countess

Position: FAV



**STATEWIDE
ADVOCACY SUPPORT UNIT**

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February 21, 2022

The Honorable William C. Smith, Jr.
Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

**Re: Testimony in support of Senate Bill 564: Landlord and Tenant and
Wrongful Detainer Actions– Eviction Prevention Services**

Dear Chair Smith and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 564. SB 564 would require the court to postpone hearings in Landlord Tenant and Wrongful Detainer actions at the tenant's request if certain conditions are met. Maryland Legal Aid (MLA) is a private, non-profit law firm that provides free legal services to indigent Maryland residents. From 12 offices around the state, MLA helps individuals and families in every Maryland county with many civil legal issues, including housing, consumer, public benefits, and family law matters. MLA also represents abused and neglected children and provides legal assistance to senior citizens and nursing home residents. This letter serves as notice that Gregory Countess, Esq. will testify on behalf of Maryland Legal Aid at the request of Senator Susan Lee.

The human right to housing is one of the most essential and broadly recognized human rights. It finds strong recognition in International Law, Federal Law, State Law, and case law at all levels. The Universal Declaration of Human Rights guarantees "the right to a standard of living adequate for the health and well-being of [the individual] and of his[/her] family, including food, clothing, shelter, and medical care and necessary social services." The Universal Declaration of Human Rights, G.A. Res. 217, U.N. GAOR, 3d Sess., pt. 1, U.N. Doc. A/810 (1948) (hereinafter "the Declaration"). One of the basic precepts of the right to

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01.2022



housing is that such housing should not be arbitrarily taken. Any deprivation of housing should be done lawfully, and the tribunal should be fair.¹

Last year the Maryland General Assembly passed an Access to Counsel statute. This year, pending legislation offers funding to implement the program fully. SB 564 compliments the Access to Counsel statute and is nearly as important as the funding under consideration this year. Access to counsel not only means that there may be attorneys available but that, if available, counsel can represent the tenant in the hearing. SB 564 provides an opportunity for tenants to receive much-needed legal representation. There are occasions when MLA asks potential tenant clients to ask the court to postpone their hearing so that an MLA attorney can be available to represent the tenant. When these requests are made, the court sometimes postpones the action, but in many instances, a continuance is denied, despite MLA's observations that Landlords' requests to continue are liberally granted. SB 564 remedies that issue. By extending this right to a postponement to all Landlord-Tenant/Wrongful Detainer actions, the Maryland General Assembly would truly level the playing field for tenants.

Additionally, with millions of dollars of Emergency Rental Assistance still available, efficiency dictates that postponements make sense if a government representative of the Emergency Rental Assistance Programs (ERAP) is available at the court and can verify that the tenant has applied for rental assistance. Most of the ERAP programs in Maryland prioritize getting assistance to renters in court facing immediate eviction. This provision of SB 564 will also lessen the chance that a tenant will be homeless, as - ERAP funding is available, and all the parties will be in court together and can fashion an alternative to eviction to make the Landlord whole.

Enacting this bill will move Maryland closer to fulfilling its duty to respect, protect and promote the right to housing.

For these reasons, MLA asks for a favorable report on SB 564.

Sincerely,

¹https://www.americanbar.org/content/dam/aba/events/homelessness_poverty/2013_Midyear_Meeting_Right_To_Housing/housing_as_a_right_fact_sheet.pdf

/S/

Gregory Countess

Director of Advocacy

for Housing and Community Development

410-951-7687

gcountess@mdlaboratory.org

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Holly Powell

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **46. I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,

Holly Powell
2308 Cambridge Street
Baltimore, Maryland 21224

Brian Seel
223 S. Wolfe Street
Baltimore, Maryland 21224

Showing Up for Racial Justice Baltimore

SB563_MCRC_FAV (2022).pdf

Uploaded by: Isadora Stern

Position: FAV



Maryland Consumer Rights Coalition

Testimony to the Senate Judicial Proceedings Committee
SB 563: Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure
Position: Favorable

February 22, 2022

Senator Smith, Chair
Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401
Cc: Members, Senate Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB 563.

SB 563 aims to disincentive landlords' non-compliance with local rental license laws. The bill accomplishes this by blocking unlicensed landlords from accessing the district courts' trio of specialized, fast-track procedures for eviction: Failure To Pay Rent, Tenant Holding Over, and Breach of Lease actions. With the passage of SB 563, if a landlord does not have a valid rental license (where applicable), they cannot use special court procedures for eviction. If they want to use any of those three procedures, they need to comply with local law and obtain the necessary rental license.

Rental licensing is a fixture of local efforts to ensure safe, healthy housing throughout Maryland. By making licenses for rental operations contingent on routine housing inspections, Maryland jurisdictions have a proactive means to ensure that dwelling units meet habitability standards and to protect renters from unsafe housing conditions. Rental license schemes typically supplement local agencies' complaint-based inspection programs.

Maryland has been plagued with a dearth of substandard rental properties, to the detriment of tenants and their families, and all taxpayers. These properties illustrate the deep power imbalance in the relationship between tenants and landlords. In no other relationship would a seller, or in this case, a lessor be allowed to bring a product to market with such low standards of care. However, since landlords



Maryland Consumer Rights Coalition

know they have the upper hand in the relationship, and the licensing law is not consistently enforced, landlords can choose to evict rather than make repairs or respond to their tenant's requests.

SB 563 puts the burden of proof on landlords to show a valid rental license to a judge in any action to evict a residential tenant.

Without a law that expressly places the burden on landlord plaintiffs, illegally operating landlords easily go undetected in the courts' streamlined eviction procedures. When an unlicensed landlord uses the courts' eviction procedures, they profit from licensing non-compliance by using the threat of eviction to collect rent. Equally, they may use the court-approved threat of eviction to silence and to intimidate tenants who withhold rent or raise complaints about substandard conditions. When unlicensed landlords carry through with court-ordered evictions, they remove tenants who spoke up and replace them with new tenants unaware of the unlicensed operation.

This cycle of profit and evasion of local law is unwittingly aided and abetted by judges, clerks, and sheriffs. It hurts renters and undermines local agencies' efforts to eradicate unsafe housing. This bill ends the cycle and cleans up the courts by putting the onus on landlords to show a valid rental license where the local jurisdiction requires one.

For these reasons, MCRC supports SB 563 and asks for a favorable report.

Best,

Isadora Stern
Policy Associate

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Jonathan Smeton

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **District 40. I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Jonathan Smeton
Baltimore, MD 21211
Showing Up for Racial Justice Baltimore

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Katherine Wilkins

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **District 12. I am testifying in support of Senate Bill 563.**



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It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Katherine Wilkins
10651 Gramercy PI Unit 257
Columbia MD 21044
Showing Up for Racial Justice Baltimore

SB 563 - Written Testimony - SENATE .pdf

Uploaded by: Katie Davis

Position: FAV



**SB 563: Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure
HEARING BEFORE THE JUDICIAL PROCEEDINGS COMMITTEE, FEBRUARY 22, 2022 AT 1:00 PM
POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide coordinator, thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting and operating innovative pro bono service projects targeting specific legal problems or populations.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day Program (TVLD Program)** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. In September 2021, the TVLD program received additional funding to expand its services to Baltimore County. Tenants appearing in Rent Court often contend with difficult and unsafe living conditions, are nearly always unrepresented, and are often unaware of the judicial process, their rights as renters, or valid defenses they could raise in the face of eviction proceedings.

PBRC supports SB 563 because it will increase court efficiency and protect tenants by requiring landlords to demonstrate their compliance with licensure requirements, and because it will clarify that these requirements apply to Tenant Holding Over and Breach of Lease actions. Under current Maryland law, individual jurisdictions can elect to require landlords to be licensed. Licensure in these jurisdictions requires inspection for unsafe conditions, and the law is clear landlords may not avail themselves of certain summary ejectment procedures if they are out of compliance with licensure regulations. See *McDaniel v. Baranowski*, 419 Md. 560 (2011).

Nonetheless, in Baltimore City in the two years prior to the pandemic, PBRC identified a licensing or registration issue in over 700 cases and almost half of PBRC’s Failure to Pay Rent cases were dismissed for lack of valid licensure or registration. By requiring proof of compliance at the time of filing, SB 563 will ensure that only those landlords who comply with Maryland law will be permitted to use summary ejectment procedures. Not only will this protect tenants’ right to a safe and habitable home, but it will reduce the burden of these cases on the judiciary.

In addition, SB 563 will protect tenants by clarifying that local licensure regulations apply consistently to all forms of summary ejectment. Landlords should not be allowed to circumvent these requirements by choosing one form of summary ejectment over another. In the last six months, Tenant Holding Over actions, for which there are very few defenses, have more than doubled. One client who requested PBRC’s assistance with a Tenant Holding Over action had been living in an unlicensed home without consistent electricity or adequate plumbing for over a year. When he lost his job due to COVID-19, his application for rental assistance was denied because his residence was not licensed. Yet his landlord was able to use the courts to secure an eviction.

PBRC supports SB 563 because it will ensure that Maryland tenants are protected from unsafe conditions and preserve court resources for valid actions. Thank you for the opportunity to submit testimony.

For the above reasons,

PBRC urges a FAVORABLE report on SB 563.

Please contact Katie Davis, Director of PBRC’s Courtroom Advocacy Project, with any questions.

kdavis@probonomd.org • 443-703-3049

SB 563_Consumer Protection Division_fav_2022.pdf

Uploaded by: Kira Wilpone-Welborn

Position: FAV

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

Writer's Fax No.



WILLIAM D. GRUHN
Chief
Consumer Protection Division

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.
410-576-6986
kwilponewelborn@oag.state.md.us

February 21, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 563 – Real Property – Actions to Repossess – Judgment for Tenants and
Proof of Rental Licensure (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports Senate Bill 563 sponsored by Senator Shelly Hettleman, which ensures that a landlord complies with legal requirements for renting a residential property before the landlord can evict a tenant through a summary ejection action. Senate Bill 563 provides, however, for an exception to allow a landlord to proceed with a summary ejection action without complying with licensing requirements if the landlord can demonstrate a clear and imminent danger.

Landlord-tenant complaints are consistently among the top complaints received each year by the Division. A 2016 summer study, that included landlords, tenant advocates, Maryland’s courts, government officials, and others, highlighted existing issues arising in rent court actions, including the subject matter of this bill. In several jurisdictions throughout Maryland, a landlord is required to be licensed before renting a property. However, there is no statutory requirement that the landlord provide documentary evidence to the court demonstrating compliance with this requirement before using the courts to evict a tenant. Furthermore, courts have taken a piecemeal approach to the issue. It is well-settled that a landlord that is required to be licensed, may not use the courts to evict a tenant for failure to pay rent if they are not so licensed. *See McDaniel v. Baranowski*, 419 Md. 560 (2011). However, a landlord, that is required to be licensed, may use the courts to evict a holdover tenant, at least if the landlord is not also seeking past due rent payments, without obtaining the license. *See Copycat*, 476 Md. 435 (2021). Senate Bill 563 would codify, and broaden, the *McDaniel* principle and overturn the *Copycat* holding. In overturning *Copycat*, however, Senate Bill 563 recognizes a need, and allows, for the *Copycat* principal in the narrow circumstance where a landlord can demonstrate a clear and imminent danger.

The Honorable William C. Smith, Jr.
Senate Bill 563
February 21, 2022
Page Two

Additionally, Senate Bill 563 would ensure that landlords demonstrate their compliance with applicable rental licensing requirements before using the courts to evict a tenant. Although the District Court complaint forms require landlords to certify they maintain applicable rental licenses, the Division has encountered landlords who have allowed their rental licenses to lapse but continue to file eviction actions against their tenants. Placing the burden on tenants to combat an erroneous certification at an expedited hearing without discovery is unfair to unsophisticated, and often unrepresented, tenants. Instead, landlords who are already required to be in possession of documentation and evidence of their licensure are in the best position to prove their compliance with applicable rental licensing requirements. This requirement is no more onerous than the requirement that debt collectors filing actions to collect assigned consumer debt provide certain specific documentation that is solely in their possession to support their claims. *See* Md. Code Ann., Cts. & Jud. Proc. §5-1203 and Maryland Rule 3-306(d). By requiring that a landlord provide evidence to the court of compliance with this licensing requirement, Senate Bill 563 would ensure that a landlord who has not met these prerequisites for renting an apartment cannot use the courts as a tool for collection and eviction. Senate Bill 563 is a reasonable measure that will help ensure that a landlord who wishes to use the courts to evict a tenant was authorized to rent that unit to the tenant in the first place.

The Division requests that the Judicial Proceedings Committee give Senate Bill 563 a favorable report.

cc: The Honorable Shelly Hettleman
Members, Judicial Proceedings Committee

SB 563 FAV Maryland Legal Aid.pdf

Uploaded by: Lee Ogburn

Position: FAV

Senate Bill 563 – Support
Lee Ogburn
Maryland Legal Aid
logburn@mdlal.org 443-695-1363

Senate Judicial Proceedings Committee

February 21, 2022

**Maryland Legal Aid’s Testimony in Support of Senate Bill (SB) 563 -
Real Property - Actions to Repossess - Judgment for Tenants and
Proof of Rental License**

Dear Chair Smith, Vice Chair Waldstreicher, and Members of the
Committee:

Maryland Legal Aid urges a favorable report on SB 563. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. MLA’s 12 offices serve residents in each of Maryland’s 24 jurisdictions. MLA handles various civil legal matters, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining child custody, housing, a driver’s license, and employment.

SB 563 will require landlords to demonstrate their compliance with applicable licensing requirements before seeking the benefit of the Real Property Article’s expedited procedures to evict or recover money from tenants. MLA believes that landlords should comply with the law before seeking the benefit of the law.

MLA views SB 563 as being consistent with the long-standing principle of Maryland law that a contract made by a person required by law to be licensed for the protection of the public, but who fails to obtain the license, is an illegal contract that the unlicensed person cannot enforce. In this written testimony, this principle is referred to as the *McDaniel* principle, after *McDaniel v. Baranowski*, 419 Md. 560 (2011), a case applying the principle in the landlord/tenant context.

The bill would apply the *McDaniel* principle to sections 8-401 (failure to pay rent), 8-402(tenant holding over), and 8-402.1(breach of lease) of the

Real Property Article by requiring a landlord to be licensed before it seeks to enforce its lease under those sections. The Court of Appeals has already applied the principle to failure to pay rent cases in *McDaniel v. Baranowski*, but in a recent case, the court declined to extend the principle to tenant holding over claims on legal grounds that do not bear on the compelling policy consideration that supports SB 563.

The policy consideration to extend the *McDaniel* principle to tenant holding over cases and to breach of lease cases is that unlicensed landlords use those types of cases as an end-run around the *McDaniel v. Baranowski* rule that prohibits them from suing in “rent court,” where failure to pay rent cases are heard. Instead of obtaining a license to proceed in rent court, unlicensed landlords evict tenants by bringing tenant holding over or breach of lease cases. Consequently, the purpose of requiring a landlord to be licensed is defeated. Instead of bringing its rental property up to code to obtain a license, the unlicensed landlord can continue in business, in violation of the licensure laws, by evicting tenants under the tenant holding over or breach of lease statutes and then re-renting the unlicensed premises.

This is not a hypothetical problem. MLA advocates have seen a prominent unlicensed Baltimore landlord use the tenant holding over statute as an end-run around the prohibition against using the failure to pay rent statute. The owner of the CopyCat Building, an unlicensed 58 unit-building of rental lofts in Baltimore City, announced to its tenants on June 15, 2020, that “we use Tenant Holding Over Court, and our mortgage is NOT federally funded.” This landlord made good on the threat to use “Tenant Holding Over Court” to evict tenants, and in that fashion, has stayed in business as an unlicensed landlord even while failing to make the improvements necessary to obtain a license. CopyCat has not held a rental license since at least December 15, 2019, when Baltimore City issued it a citation and a \$1,000 fine for failing to have the required rental license, yet CopyCat continues to rent units, without a license, to this day. This is unfair both to CopyCat’s tenants and to law-abiding landlords who spend the money necessary to maintain their properties up to code.

SB 563 would end this practice, which is not unique to the CopyCat Building. This bill is necessary to stop unlicensed landlords, like CopyCat, from operating in violation of the law rather than complying with the licensing requirements intended to protect the health and safety of their tenants. The bill closes a loophole exploited by landlords to avoid the very purpose of the licensing requirements – to bring rental properties up to code. This bill is necessary to protect the many low-income Marylanders who rent from such landlords.

For these reasons, MLA respectfully asks that the Committee give SB 563 a favorable report.

/S/
Lee Ogburn, Esq.
Staff Attorney
410-951-7699

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Lindsay Keipper

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of MD District 46, and **I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the law.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license (“tenant holding over” proceedings under Real Property 8-402). This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. The well-established law in Maryland is that when someone is doing business that requires a license to protect the public, they cannot ask the state to help them enforce contracts that require them to have that license. The Court of Appeals has said that this principle bars unlicensed landlords from evicting their tenants. However, they have also said (in the recent decision *Velicky v. Copy Cat Building*¹) that because a “tenant holding over” action is not enforcement of a contract, the landlord does not have to be licensed to kick the tenant out and reclaim their property.

The result is that unlicensed landlords can still use an expedited, statutory procedure to eject tenants; a result that creates the same evils as the law seeks to prevent by barring unlicensed landlords from filing to terminate a lease. This result is especially nonsensical and unfair in situations like that of *Velicky*: a landlord is unable to get a rental license because the apartments they are renting violate the building codes and are unfit for habitation, yet because of the availability of the tenant holding over action, the landlord is able to swiftly eject tenants from its unsafe apartments and rent them to others with the willing assistance of the state courts.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Lindsay Keipper
2425 Fleet St.
Showing Up for Racial Justice Baltimore

¹ This opinion was released 11/29/21 and has not yet been numbered for inclusion in the *Maryland Reports*. Available at <https://www.courts.state.md.us/data/opinions/coa/2021/1a21.pdf>

Support SB 563 - Licensing Requirements in Evictio

Uploaded by: Linnie Girdner

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

I am a resident of District 21. I am a member of Showing Up for Racial Justice Annapolis and Anne Arundel County. I believe that democracy works better for everyone when we respect the rule of law. **I am testifying in support of Senate Bill 563.**

SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,

Linda K. Girdner
941 Fall Ridge Way
Gambrills, MD 21054

SB 563 ACDS Testimony in Support - Rental Licenses

Uploaded by: Lisa Sarro

Position: FAV



February 22, 2022

Senate Bill 563

Landlord and Tenant - Repossession for Failure to Pay Rent - Registration and License Information

Judicial Proceedings Committee

Position: Favorable

Thank you for the opportunity to provide testimony in support of **Senate Bill 563, legislation that would codify current Maryland case law regarding the requirement for rental licensing in the context of eviction cases and ensure that rental licensing laws in Maryland retain their use as powerful public safety tool by requiring compliance with rental licensing laws as a prerequisite to using Maryland's courts to evict tenants.**

Arundel Community Development Services, Inc. (ACDS) serves as Anne Arundel County's nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. In fulfilling this role, ACDS administers grants to nonprofit partners, directly develops and implements programming, and advises the County on housing and community development policy initiatives.

Background.

If a local jurisdiction requires that a residential rental property have a rental license, then that property must in fact be licensed in order for a landlord to make use of the summary ejectment (Failure to Pay Rent) court process. This requirement is a result of a 2011 Court of Appeals decision called *McDaniel v. Baranowski*. (419 Md. 560, 19 A.3d 927). In that case, the Court held that if a landlord lacks a rental license for a property that is required by law to be licensed, then that landlord does not have "claimant status" for bringing a Failure to Pay Rent action in court. In other words, **if a landlord lacks a license when one is required by local law, the landlord does not have standing to file a summary ejectment Failure to Pay Rent case.**

Immediately after the Court of Appeals decided *McDaniel*, **the Court's standard form Complaint for Failure to Pay Rent was modified** to include a section in the Complaint where **the landlord must indicate whether the property is required to be licensed, and if so, the landlord must provide a rental license number as a required**

element of the Complaint. However, *courts have grappled with exactly what proof of licensing is required, and when.* By adding just a few paragraphs to the existing Failure to Pay Rent statute, this bill clears up any confusion and provides clear standards related to required proof related to rental licensing and extends those requirements and standards to Breach of Lease and Tenant Holding Over actions.

The Bill.

SB 563 would result in three specific clarifications/codifications of current case law:

1. **Proof of Rental License and Compliance with Lead Laws is Required Upon Filing:** The Court's current Failure to Pay Rent Complaint form requires the landlord to provide a yes or no answer, under penalty of perjury, to the question "Is the Landlord currently licensed/registered?" Under this bill, in addition to answering the question, **if the landlord indicates in the body of the complaint that they do have a license and they are in compliance with the State's lead laws, then they simply have to add a copy of the rental license and documentation that they are in compliance with lead laws to the complaint.**

Currently, if a landlord files a lawsuit without actually having a rental license or lead registration (if required), the case proceeds to a hearing by the Court, at which point cases are frequently dismissed or postponed because the landlord lacks standing to sue. This bill would eliminate those cases from getting to the hearing stage until they are actually eligible for hearing, thus freeing up the Court's time for cases that are actually ready to go. ***This does not create a new requirement for licensing of properties that are not already required to be licensed pursuant to local law nor additional actions related to lead laws – if applies only if a property is already required by local law to have a residential rental license or is a property affected by Maryland's lead laws.***

2. **Current Rental License is a Prerequisite to Filing:** Again, this just clarifies current case law on Failure to Pay Rent actions. By definition, neither a "provisional" nor a "temporary" license is a *current* license as required by Maryland law. Rather, they are simply a stepping stone to getting a license. Similarly, an expired license, by definition, is not a current license. The rationale behind the *McDaniel* requirement that a rental property be licensed in accordance with local laws is that **the licensing process provides some level of assurance the rental property is safe and habitable. A temporary or provisional license - which could be issued before an inspection has even taken place and which may never result in an inspection or the issuance of an actual rental license – provides no such assurance** because it does not establish that the property meets the health and safety standards of a fully licensed property.

3. **Burden of Proof at Trial:** Finally, SB 563 provides that **the landlord has the burden of proving by a preponderance of the evidence that the property is licensed in accordance with all applicable local rental property licensing laws and is in compliance with Maryland's lead laws.** Again, this is not a change to existing case law, but rather codification of current case law. As the plaintiff, the landlord already has the burden of proving all elements of his or her case.

This bill would provide clear direction to court clerks, courts, tenants and landlords regarding the interpretation and implementation of current case law, and would result in better use of the Court's time and consistency in the evaluation and hearing of Failure to Pay Rent cases going forward. It would also ensure that landlords remain incentivized to keep their properties in safe, habitable conditions because, if they fail to do so, they will be precluded from using the State's courts as a tool for evicting their tenants.

For the reasons noted above, we urge a FAVORABLE report on SB 563.

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Martha Schmitz

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **District 42B. I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Martha Schmitz
14 Greentree Dr.
Phoenix, MD
Showing Up for Racial Justice Baltimore

Badeker SB 563 - Licensing Requirements in Evictio

Uploaded by: Melissa Badeker

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of District 8. **I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

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It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Melissa Badeker
3020 Linwood Avenue, Parkville MD 21234
Showing Up for Racial Justice Baltimore

Councilwoman Odette Ramos Testimony SB563_ 2.22.20

Uploaded by: Odette Ramos

Position: FAV



Odette Ramos

Baltimore City Councilwoman

District 14

(410) 396 - 4814

odette.ramos@baltimorecity.gov

100 N. Holliday Street, Room 506

Baltimore MD 21202

Testimony

SB563 Real Property – Actions to Repossess – Judgement for Tenants and Proof of Rental Licensure

February 22, 2022

FAVORABLE

Chair Smith and Members of the Senate Judicial Proceedings Committee:

I am writing to urge your support for **SB563: Real Property – Actions to Repossess – Judgement for Tenants of Rental Licensure**.

SB563 requires landlords to show proof that they are properly licensed to lease the residential property where they are seeking an eviction.

The Baltimore City Council passed an ordinance in our last council establishing a very stringent landlord licensing law. The law requires regular inspections and uploading of documents to ensure that the renter is living in good conditions.

As a requirement of our rental assistance dollars, Baltimore City required landlords to have proper licenses. Recently there was a case where tenants in a building organized to push back on the landlord from improper evictions and cited that the building was not properly licensed. The courts sided with the landlord. SB563 would require that in jurisdictions where there is a rental licensing law, no landlord can evict a tenant without being properly licensed.

This also helps in cases where tenants have been protesting terrible conditions in their buildings. Whereas tenants should be paying their rent into escrow, that may not always happen. This situation can be avoided if the building is properly licensed and following all building codes.

I urge your favorable report for this legislation.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov.

Respectfully Submitted:

Odette Ramos

Baltimore City Councilwoman, District 14

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Sam Chan

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **District 43. I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Sam Chan
38 E 26th St Baltimore MD 21218
Showing Up for Racial Justice Baltimore

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Sarah Johnson

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of District 41 in Baltimore City. **I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in *those* cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

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If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,

Sarah Johnson
1 Merryman Court
Baltimore, MD 21210
Showing Up for Racial Justice Baltimore

SB563_Hettleman_FAV.pdf

Uploaded by: Shelly Hettleman

Position: FAV

SHELLY HETTLEMAN
Legislative District 11
Baltimore County

Judicial Proceedings Committee

Joint Committee on Children, Youth,
and Families

Joint Committee on the Chesapeake
and Atlantic Coastal Bays Critical Area



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11 Bladen Street, Room 203
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The Senate of Maryland

ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN SB563 REAL PROPERTY - ACTIONS TO REPOSSESS - JUDGEMENT FOR TENANTS AND PROOF OF RENTAL LICENSURE

SB 563 requires that, in a local jurisdiction that requires residential rental licenses, before a landlord or their agent may use the court system to file for an eviction for Failure to Pay Rent, Breach of Lease (excepting there being a “clear and imminent danger”) or Tenant Holding Over, the landlord must possess a valid license. **The principle and value put forth in this bill is that one should not be able to use the legal system for enforcement if one is not acting legally and is not being complicit with applicable local real estate licensing laws.**

In 2011, in the *McDaniel v. Baranowski* case, the Court of Appeals held that in a Failure to Pay Rent case, the landlord must first be licensed in order to evict a tenant. This past December, however, the Court of Appeals, in *Velicky v. Copycat LLC*, strayed from their logic in *McDaniel* and asserted that a landlord did not have to be licensed to pursue a Tenant Holding Over action against a tenant, thereby making a mockery of our local jurisdictions’ real estate licensing laws. There are valid and important public policy rationales that local jurisdictions require licenses: to ensure that properties are safe and habitable. And the court’s decision in this case will enable bad actors to use this loophole to repossess property, collect rent, and to ignore their obligations under local licensing requirements.

Housing health and safety codes exist to set the floor for those standards. Rental licenses exist to ensure safety and habitability of rental properties. To have a rental license, properties must be registered as rental properties, successfully complete an inspection, comply with lead paint laws, and have no unabated violations. Six counties and 15 municipalities in Maryland require a rental license before the property may be rented. A rental license is the only opportunity a local government has to ensure that rental properties are safe and habitable and to require repairs if they are not.

In her dissenting opinion in the *Velicky* case, Judge Shirley Watts stated, “This loophole presents an obvious risk of danger to tenants, as unlicensed landlords may now use tenant holding over actions ... to recover rent and possession of property and lease the property again, with little incentive to eliminate hazards on the premises and obtain licenses.” SB 563 closes this loophole.

Most landlords comply with local licensing requirements and they have nothing to fear from SB 563. Their business practices will not change under this bill. One of government’s core duties is to protect citizens and this bill will help to ensure that tenants are protected from bad actors who refuse to comply with local licensing laws.

MAP_SB 563_Judgment for Tenants and Proof of Renta

Uploaded by: Stacey Jefferson

Position: FAV



Member Agencies:

211 Maryland

Advocates for Children and Youth

Baltimore Jewish Council

Behavioral Health System Baltimore

CASH Campaign of Maryland

Energy Advocates

Episcopal Diocese of Maryland

Family League of Baltimore

Fuel Fund of Maryland

Job Opportunities Task Force

Laurel Advocacy & Referral Services,
Inc.

League of Women Voters of Maryland

Loyola University Maryland

Maryland Center on Economic Policy

Maryland Community Action
Partnership

Maryland Family Network

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Marylanders Against Poverty

Julia Gross, Co-Chair

P: 410-528-0021 ext 6029

E: jgross@mdhungersolutions.org

Kali Schumitz, Co-Chair

P: 410-412- 9105 ext 701

E: kschumitz@mdeconomy.org

TESTIMONY IN SUPPORT OF SB 563

Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

Senate Judicial Proceedings Committee

February 22, 2022

Submitted by Julia Gross and Kali Schumitz, Co-Chairs

Marylanders Against Poverty (MAP) strongly supports SB 563, which would require landlords to show a valid rental license to a judge in the event of a residential eviction case.

While landlords are required to pass a property inspection and obtain a rental license in order to lawfully operate rental properties in most jurisdictions, a 2015 study found that over 70 percent of landlords in one jurisdiction had either omitted licensing information or provided invalid.

Additionally, in a previous 2021 court case, *Velicky v. Copy Cat Building*, it was ruled that unlicensed landlords may use a different court procedure called "Tenant Holding Over" to evict their tenants, even though previous court rulings have required landlords to state their rental license number on the form for "Failure to Pay Rent" eviction cases.

Special eviction proceedings such as these allow illegally operating landlords to use the court system to make a profit while evading compliance with laws specifically designed to eliminate unsafe housing. In these cases, unlicensed landlords are able to use eviction cases to force tenants to pay rent despite substandard conditions in the building, often impacting the most vulnerable and low-income Marylanders.

SB 563 aims to protect renters from unsafe housing situations, even the playing field for lawfully acting landlords, and clean up our court systems by making sure that all landlords comply with local rental licensing laws before they come to court for eviction.

MAP appreciates your consideration and urges the committee to issue a favorable report for SB 563.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Tamara Todd

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of **District 10. I am testifying in support of Senate Bill 563.**



SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don’t use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn’t close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Tamara Todd
221 Northway Rd, Reisterstown, MD 21136
Showing Up for Racial Justice Baltimore

SB0563 - FAV - Public Justice Center.pdf

Uploaded by: Zafar Shah

Position: FAV



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SB0563 – Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

**Hearing before the Senate Judicial Proceedings Committee,
Feb. 22, 2022**

Position: SUPPORT (FAV)

Public Justice Center (PJC) is a nonprofit public interest law firm that serves over 600 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. PJC seeks the Committee's Favorable report on SB0563.

SB0563 aims to disincentive landlords' non-compliance with local rental license laws. The bill accomplishes this by blocking unlicensed landlords from accessing the district courts' trio of specialized, fast-track procedures for eviction: Failure To Pay Rent (Real Prop. § 8-401), Tenant Holding Over (§ 8-402), and Breach of Lease actions (§ 8-402.1).

Under SB0563, if a landlord does not a valid rental license (where applicable), they cannot use special court procedures for eviction. If they want to use any of those three procedures, they need to comply with local law and obtain the necessary rental license.

Rental licensing is a fixture of local efforts to ensure safe, healthy housing throughout Maryland. By making licenses for rental operations contingent on routine housing inspections, Maryland jurisdictions have a proactive means to ensure that dwelling units meet habitability standards and to protect renters from unsafe housing conditions. Rental license schemes typically supplement local agencies' complaint-based inspection programs.

SB0563 puts the burden of proof on landlords to show a valid rental license to a judge in any action to evict a residential tenant.

Without a law that expressly places the burden on landlord plaintiffs, illegally operating landlords easily go undetected in the courts' streamlined eviction procedures. When an unlicensed landlord uses the courts' eviction procedures, they profit from licensing non-compliance by using the threat of eviction to collect rent. Equally, they may use the court-approved threat of eviction to silence and to intimidate

tenants who withhold rent or raise complaints about substandard conditions. When unlicensed landlords carry through with court-ordered evictions, they remove tenants who spoke up and replace them with new tenants unaware of the unlicensed operation.

This cycle of profit and evasion of local law is unwittingly aided and abetted by judges, clerks, and sheriffs. It hurts renters and undermines local agencies' efforts to eradicate unsafe housing.

SB0563 ends the cycle and cleans up the courts by putting the onus on landlords to show a valid rental license where the local jurisdiction requires one.

Background on use of specialized court procedures by unlicensed landlords

The Court of Appeals decision *McDaniel v. Baranowski*, 419 Md. 560 (2011), established that unlicensed landlords lack claimant status in Failure To Pay Rent actions and may not use that special, summary procedure. The Court said that landlords must “plead and demonstrate” valid licensing when they file summary ejectment actions, but the decision did not spell out whether landlords must demonstrate the licensing at trial. Consequently, district court forms for Failure to Pay Rent actions require that landlords state a rental license number (where applicable), but there is no burden of proof unless a tenant contests the issue at trial.

In the decade since *McDaniel*, the use of “summary” court procedures by unlicensed landlords remains steady. Public Justice Center’s [2015 study *Justice Diverted*](#) revealed that, from an investigation of over 100 contested eviction actions in Baltimore City, over 70 percent of landlords had either omitted rental licensing information from the complaint or provided the court invalid information.¹ Examining the entire state in [a 2016 report](#), Maryland Legal Aid reported that, in over 21,000 eviction cases resulting in default judgments for repossession, the landlord had failed to provide any rental licensing information on the court complaint despite not having an exemption from licensing.²

Since then, the use of “summary” eviction procedures by rogue landlords has continued, as evident in recent appellate cases:

- *Pettiford v. Next Generation Trust Service*, 467 Md. 624 (2020), finding that tenants in unlicensed properties may raise a habitability defense to Failure to Pay Rent actions without the threat of immediate eviction.
- *Aleti v. Metropolitan Baltimore, LLC*, 251 Md.App. 482 (2021), finding that unlicensed landlords cannot charge legal fees to tenants for Failure to Pay Rent actions.

¹ Public Justice Center, *Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court 24-25* (2015), http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

² Maryland Legal Aid, *Human Rights in Maryland’s Rent Court: A Statistical Study 24* (2016), https://www.mdlab.org/wp-content/uploads/MDLegalAid_RentCourtStudy_Release-Date-9-8-16.pdf

- *Velicky v. Copycat Building LLC*, 474 Md. 201 (2021), holding that unlicensed landlords, though blocked from Failure to Pay actions, may still use the Tenant Holding Over process to evict tenants.

The November 2021 Court of Appeals decision *Velicky v. Copycat Building* has made the legal landscape even less clear. The Court affirmed its prior decision in *McDaniel* that unlicensed landlords may not use summary ejectment for Failure To Pay Rent – but also found that such landlords may utilize Tenant Holding Over actions to evict their tenants. In dissent, Judge Watts said, “Allowing Copycat to evict Petitioners in a tenant holding over action under RP § 8-402 without a license essentially renders the licensing requirement of Baltimore City Code, Art. 13, § 5-4(a) meaningless and defeats its purpose of ensuring that rental properties are fit to live in. As a result of the majority opinion, Copycat and other landlords will have very little incentive to get licenses, which would require bringing rental properties up to code.”

SB0563 clarifies and strengthens the barrier against rogue landlords’ use of special court procedures.

SB0563 would require all landlords to demonstrate, by preponderance of evidence at the trial of a reaction, that the rental unit is licensed if required by local law. To meet that burden, a landlord would need only a physical or electronic copy of the license to show to the judge at trial. By meeting that evidentiary burden, the landlord may proceed with their case and may win a judgment for possession. Where the landlord fails to meet this burden of proof, SB0563 leaves it to judges to decide the final disposition of the action.

Importantly, SB0563 clarifies that it is neither the court nor the tenant who should carry the burden of identifying unlicensed properties or initiating the inquiry as to licensing status. This bill does not require clerks to ministerially rule on licensing compliance – that is the judge’s duty.

Additionally, this bill clarifies that temporary or provisional rental licenses, issued for instance when a landlord has paid a fee but not passed an inspection of the property, would *not* satisfy the landlord’s burden. The bill also provides an exception whereby an unlicensed landlord may proceed with a Breach of Lease action if the breach involves a danger to property or persons on the property. To deter false allegations of a dangerous breach, the bill includes a sanction provision whereby the tenant may be awarded costs and attorneys’ fees.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a FAVORABLE report on SB0563**. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.

MMHA - 2022 - SB 563 - BOL and rental license.pdf

Uploaded by: Grason Wiggins

Position: FWA



Bill Title: Senate Bill 563, Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

Committee: Judicial Proceedings Committee

Date: February 22, 2022

Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies.

Under this bill, if a court determines that a landlord asserted a breach of lease in bad faith or without substantial justification, the court may enter judgment for the tenant and award costs and expenses, including attorney's fees. Further, in a jurisdiction that requires a rental residential license, on the filing of a written complaint to repossess residential property, the landlord must submit to the clerk of the district court in the county where the property is located records demonstrating that the property is licensed in compliance with applicable local rental licensing requirements. Except for a breach of lease matter, at trial, the landlord must prove by a preponderance of the evidence that the property listed in the written complaint is licensed with the jurisdiction or is exempt from applicable licensing requirements. To satisfy the requirements, a landlord may provide electronic proof of licensure. a temporary or provisional license in any form is insufficient proof of licensure.

MMHA supports the intent of this bill. However, MMHA has the following concerns with the bill:

1. Award of Costs, Expenses, Including Attorneys Fees: MMHA has consistently supported judicial discretion when it comes to the award of fees and expenses, including attorney's fees. As this bill would hold a landlord potentially responsible for fees and expenses when asserting a claim in bad faith or without substantial justification, we would ask that the bill allow the court the same discretion if the tenant's defense is in bad faith or without substantial justification. **See attached amendment.**
2. Time of Filing: The housing provider should submit the rental registration records at trial, before the court, and not at the time of filing the failure to pay rent action before a clerk of the court (page 5, line 21). The bill, in fact, makes clear that that the housing



provider's burden must be demonstrated at trial (page 5, line 29). **We would strike page 5, lines 18-26.**

- 3. Provisional or Temporary License:** Additionally, due to technical issues, some jurisdictions use or may need to use provisional or temporary licenses. For instance in Baltimore, rental registration licenses cannot be renewed until July 2022, at the earliest. Prohibiting this form of a license, if a local jurisdiction issued such, would chill a housing provider's right to access the impartial justice system. MMHA members have no control over whether a local jurisdiction issues a provisional or temporary license. We should not be precluded from pursuing our legal rights as a result. **We would urge striking that language on page 6, lines 1-2.**

For the foregoing reasons, MMHA respectfully requests a **favorable report with amendments on Senate Bill 563.**

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992



AMENDMENTS TO SENATE BILL 563

AMENDMENT No. 1

On page 4, lines 25-28 strike; On page 4, line 25 after “(2)” insert “IF THE COURT DETERMINES THAT IN A BREACH OF LEASE UNDER SUBSECTION (A)(1)(I)2B OF THIS SECTION EITHER PARTY ASSERTED A CLAIM OR DEFENSE IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION, THE COURT MAY ENTER JUDGMENT FOR THE ADVERSE PARTY AND AWARD COSTS AND EXPENSES, INCLUDING ATTORNEY’S FEES.”

AMENDMENT No. 2

On page 5, strike line 18 through and including line 26.

AMENDMENT No. 3

On page 6, strike line 1 through and including line 2.

SB 563 - Licensing Requirements in Eviction Action

Uploaded by: Nathan Rehr

Position: UNF

Dear Members of the Senate Judicial Proceedings Committee,



This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renter's United. I am a resident of MD District 45. I am an active member of my community association and a health professional who is interested in eliminating the health disparities that occur with racial discrimination in our society. **I am testifying in support of Senate Bill 563.**

SB 563 would do two things. First, it requires landlords to show their valid rental license at the trial of any residential eviction action, except those facilitated by actions of a tenant that “*demonstrates a clear and imminent danger*” to themselves or others. Secondly, in those cases, the bill enables courts to judge in favor of the tenant and award costs and expenses for any bad faith filings by the landlord to evict them on these grounds. This is to ensure unlicensed landlords don't use this exception as a low-stakes back channel for evicting tenants on false pretenses and bypassing the intent of the first provision.

While rental licenses are necessary to lawfully operate rental properties in most Maryland counties and cities, unlicensed landlords operating unlawfully are still entitled to specialized eviction proceedings without proof of a valid license. This system incentivizes non-compliance with local laws and hampers efforts to ensure rental housing is safe. An egregious example of the nonsensical system this creates is evidenced in *Velicky v. Copy Cat Building*, where the court held that unlicensed landlords can utilize Tenant Holding Over eviction actions even when turned away for failure to Pay Rent Actions.

If there is a social contract established by the courts, that those filing actions before them are good faith actors, then allowing folks who are violating one statute that inconveniences them, while demanding the other be enforced on their behalf is an immense level of hypocrisy. The fact that our current legal system enables such hypocrisy is a truth that can only be reconciled by assuming the court system was made for the sole benefit of the haves against the have-nots. This hypocrisy must be ended, because the consequences for eviction and unsafe housing are cruel and unjust.

For example, the fire that took the lives of 17 people in New York last month was enabled by below-code operations that were known and allowed to continue. Everything from poorly-functioning heating which required tenants to use their own supplemental heat, to faulty doors that didn't close themselves, allowed the fire to start and smoke to spread throughout the building. This occurred in a building where landlords had some degree of oversight in place. A system that enables landlords to operate business as usual with no oversight is inevitably headed towards a darker conclusion.

It is for these reasons that I am encouraging you to vote **in support of SB 563.**

Thank you for your time, service, and consideration.

Sincerely,
Nathan Rehr
450 E. Federal Street Baltimore, MD 21202
Showing Up for Racial Justice Baltimore

SB 563_realtors_unf.pdf

Uploaded by: William Castelli

Position: UNF



Senate Bill 563 – Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure

Position: Oppose

Maryland REALTORS® opposes SB 563 which would prohibit a landlord from offering a provisional or temporary rental license to show compliance with a property rental license law.

The REALTORS® do not oppose a requirement to show a property is properly registered when filing court actions, but we believe the law should permit a landlord to present a temporary or provisional license if a county registration program has not provided the current license yet.

Under some county registration programs, a landlord will initially receive a “temporary” license while the “current” license is processed and an inspection is conducted. This would even apply in some cases when a property has had a license for many years but is simply renewing the license and is given a “temporary” license until the inspection is completed.

Certainly, the judge should have discretion to determine whether the landlord had a temporary or current license before renting to the tenant, but a landlord should not lose a legal right simply because a county is slow in processing a rental license. In addition, due to the COVID-19 emergency orders, including the most recent, some county inspectors were not allowed to go into a property to conduct an inspection.

For these reasons, the REALTORS® recommend an unfavorable report.

For more information contact bill.castelli@mdrealtor.org